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MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
8TH DAY OF JANUARY 2002

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at City Hall, 1 Dr. Carlton B. Goodlett Place, Room 416, in the City of San Francisco, California, at 4:00p.m. on the 8th day of January 2002, at the place and date duly established for holding of such a meeting.

President Chantel L. Walker called the meeting to order and asked that cell phones and pages be turned off during the meeting.

1. Recognition of a Quorum

The Commission Secretary announced the presence of a quorum with the following Commissioners present.

Chantel L. Walker, President
Kathryn C. Palamountain, Vice President
Mark Dunlop
Leroy King
Ramon E. Romero
Darshan Singh
Benny Y. Yee

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Marcia Rosen, Executive Director, and staff members were also present.

2. Report on actions taken at previous Closed Session meeting, if any. None.

3. Matters of Unfinished Business:

CONTINUED FROM THE DECEMBER 11, 2001 COMMISSION MEETING

- 3 (a)** Resolution No. 1-2002, Directing Staff to consider specified criteria in evaluating the Agency's direct development of future affordable housing; All Redevelopment Areas; Agency Citywide Housing Program

President Chantel L. Walker suggested that item 4 (e) of the Regular Agenda be called first prior to consideration of the Unfinished Business matter. The Commission gave its unanimous consent.

- 4 (e) Workshop on the Mayor's Affordable Housing Exhibit, "Creating Affordable Housing in America's Most Expensive Housing Market"

Presenters: Olson Lee (Agency staff)

President Chantel L. Walker thanked staff for an excellent presentation and requested copies of the PowerPoint presentation in particular, the quantitative slides.

Commissioner Mark Dunlop expressed his appreciation to staff's commitment and hard work on affordable housing, and remarked that there were over 15,000 homeless people or people on the verge of homelessness in San Francisco. Mr. Dunlop expressed his personal gratitude to staff for their hard work in helping fill a very important need to provide affordable housing. Mr. Dunlop thanked staff for the presentation.

Commissioner Ramon E. Romero also requested copies of the quantitative slides showing the affordability income levels and complimented the staff's presentation. Mr. Romero recalled many of the housing projects that the Commission had approved during the last four years he had been on the Commission. Mr. Romero commended the hard work of staff and shared that the workshop really showed the full breadth of the Agency's affordable housing accomplishments.

Commissioner Benny Y. Yee thanked Mr. Olson Lee for an outstanding presentation. Mr. Yee asked if the \$108 million housing budget for 2001/2002 was for the whole City.

Executive Director Marcia Rosen informed the Commission that last year was the first year that the City put together a consolidated housing budget for presentation to the Board of Supervisors which she worked on with James Morales (former Agency Executive Director), Dr. Katz and Trent Rhorer of DHS. Prior to that, there had not been a comprehensive housing budget presented to the Board of Supervisors. The City's capital budget last year represented the money available to the Mayor's Office of Housing through its entitlement grants and local funds it had jurisdiction over plus the money that the Agency Commission approved within its budget, and also included the value of Parcels A and C along the Octavia Boulevard which ownership had been transferred to the City. The total amount of all of those resources from the Mayor's Office, the Agency and the land value for Parcels A and C was \$214 million. That figure did not include the Housing Authority numbers or the money for the master lease agreements programs run by the Department of Public Health and Department of Human Services, but the \$214 million was the citywide capital investment in housing preservation and development.

At this time, the Commission resumed discussion of the Unfinished Business matter.

- 3 (a)** Resolution No. 1-2002, Directing Staff to consider specified criteria in evaluating the Agency's direct development of future affordable housing; All Redevelopment Areas; Agency Citywide Housing Program

Presenters: Olson Lee (Agency staff)

Speakers: John Elberling (TODCO)

Mr. Elberling suggested that the Commission consider the following additional factors in evaluating the Agency's direct development of future affordable housing: (1) management quality, (2) inclusion of supportive services, and (3) cost-efficiency of building operations.

Commissioner Dunlop put forth a motion to adopt item 3 (a) and thanked Commissioner Palamountain for suggesting the direct development criteria at the November 27th Commission meeting. Mr. Dunlop asked staff to provide responses to Mr. Elberling's questions.

Executive Director Marcia Rosen suggested looking at criterion number one and adding the word "manage" in order to capture the sense of the quality issues raised by Mr. Elberling regarding quality of management, extent of supportive services and the cost-efficiency of operations.

Commissioner Dunlop stated that the Executive Director's suggestion addressed the matters relating to management and operations, but not the extent and effectiveness of supportive services. Mr. Dunlop suggested adding the supportive service matter to criterion number six dealing with public benefit rationale.

President Walker stated that the issues raised talked about issues related to operations and pointed out that the set of criteria before the Commission dealt with the development phase. Ms. Walker suggested adding the words "manage and operate" to criterion number one, "Could the Agency build [*manage and operate*] better quality housing than any private developer, for profit or non-profit?"

Commissioner Romero seconded Mr. Dunlop's motion and suggested adding the word "and/or" before the word "operate" as the Agency, if it were to develop may not always operate the property and have a property management entity manage the property.

President Walker asked the Commission Secretary to restate the suggestions from the Commissioners.

Commission Secretary Erwin R. Tanjuaquio pointed out that there had not been a formal amendment made to the main motion to adopt item 3(a) and restated the suggestion for criterion number one as follows: "Could the Agency build, manage and/or operate better quality housing than any private developer, for profit or non-profit?"

Commissioner Yee thanked Commissioner Palamountain for her good suggestions. Mr. Yee stated that he had a different interpretation of the set of six criteria for direct development and that he did not see Commissioner Palamountain's suggestions as criteria. Mr. Yee explained that the staff has the experience and expertise in the development of affordable housing. The intent was to direct staff to evaluate the Agency's direct development of affordable housing and not to respond to a set of criteria suggested by the Commission, because the Commission did not have the ability, experience and expertise to develop such criteria. Mr. Yee recommended that staff re-think the standards for the Agency's direct development of affordable housing.

President Walker thanked Mr. Yee for recognizing staff's expertise and asked if the Executive Director had adequate time to look at the set of criteria and if the criteria before the Commission were the ones that staff would recommend to the Commission.

Executive Director Rosen responded that she understood the criteria for direct development before the Commission to be a related endeavor to the Commission's request that staff come up with a proposal as to how the Agency would actually implement development. Ms. Rosen explained that the specified criteria were a Commission-driven policy, which would assist the Commission in evaluating whether the Agency should engage in the direct development of affordable housing. The set of criteria was not intended as a substitute for a staff proposal that was forthcoming, which would look at the legal, administrative and budget implications of doing direct development. Ms. Rosen believed that was what Commissioner Yee was referring to and saw the direct development criteria before the Commission as a companion piece that would help the Commission decide on a case by case basis, to proceed with direct development or not. Ms. Rosen stated that both the criteria and the forthcoming staff proposal on Agency direct development were compatible guidelines that would work together in addressing the issue.

Commissioner King agreed with Executive Director Rosen's explanation that staff had to evaluate not only the staff resources, but also all the administrative and legal issues surrounding direct development.

President Walker reminded the Commission that there was still the matter of a formal amendment to the main motion.

Commissioner Palamountain thanked staff for its hard work and that she did not intend to override staff's expertise with her suggested criteria. The set of criteria she proposed were standards that she would apply as an individual Commissioner to evaluate the merits of direct development of any given parcel. Ms. Palamountain respected Commissioner Yee's statements and agreed that the Commission would not be able to make determinations on the quality of development without the necessary engineering data and that her intent was for staff to do its analysis in order for the Commission to make informed decisions about direct development. The intent of the criteria for Agency direct development was based on supplementing the existing development capacity within the City, and that the City had worked hard and invested a lot, in particular its non-profit developers to ensure that the City had a vibrant and viable non-profit housing development community and that investment criteria across the State ensure that there was a viable for-profit development community. When that market failed for one reason or another, the Agency should then make a determination whether direct development was appropriate. Ms. Palamountain thanked staff for its response to the cost issue and that her intent was not to go with who could develop at the cheapest cost, but who could leverage best the available funding resources and put together the strongest financial package that would be attractive to the City and the Agency. Ms. Palamountain emphasized that the intent was to have a balancing of factors and not just one or two, but to look at the entirety of a proposed project on a case by case basis and that the criteria were a way of guiding the Commission's decision making on a given development opportunity. Ms. Palamountain thanked staff for clarifying that building more affordable housing would comply with existing planning code restrictions and that this was consistent with her intent of being sensitive to community and zoning restrictions for sensible housing development. Ms. Palamountain thanked Mr. Elberling for his suggestions and that she was remiss in her statements for not explicitly including tenants' concerns because the impact on the tenants' quality of life was of primary concern with her. Ms. Palamountain stated that building operations and management were not the Agency's expertise and that there were a lot of developers out there such as Mercy Properties who have operating and management arms that do supportive housing very well. Ms. Palamountain made a motion to amend the resolution to add a seventh criterion as follows:: "Does the Agency have a plan for management and/or operation of the property that is consistent with health, safety and welfare of the tenants including but not limited to the quality of property management, the extent and effectiveness of support services, and the cost efficiency of operations."

Commissioner Romero seconded the Commissioner Palamountain's motion.

Commissioner Singh inquired about the Mayor's suggestion that the Agency undertake direct development of affordable housing with the Plaza Hotel as a pilot project.

Executive Director Rosen stated that the Commission had requested staff to prepare a proposal for the Plaza Hotel and that staff would bring such proposal before the Commission.

Commissioner Yee asked if it was proper to add a new seventh criterion to the resolution without notification of the public.

Acting General Counsel Penny Nakatsu stated that it was appropriate to add a seventh criterion to the resolution and was consistent with the Brown Act.

MOTION: IT WAS MOVED BY MS. PALAMOUNTAIN, SECONDED BY MR. ROMERO, AND UNANIMOUSLY CARRIED THAT A SEVENTH CRITERION BE ADDED TO RESOLUTION NO. 1-2002 AS FOLLOWS: DOES THE AGENCY HAVE A PLAN FOR MANAGEMENT AND/OR OPERATION OF THE PROPERTY THAT IS CONSISTENT WITH HEALTH, SAFETY AND WELFARE OF THE TENANTS INCLUDING BUT NOT LIMITED TO THE QUALITY OF PROPERTY MANAGEMENT, THE EXTENT AND EFFECTIVENESS OF SUPPORT SERVICES, AND THE COST EFFICIENCY OF OPERATIONS.

ADOPTION: IT WAS MOVED BY MR. DUNLOP, SECONDED BY MR. ROMERO, AND UNANIMOUSLY CARRIED THAT ITEM 3(a) RESOLUTION NO. 1-2002, DIRECTING STAFF TO CONSIDER SPECIFIED CRITERIA IN EVALUATING THE AGENCY'S DIRECT DEVELOPMENT OF FUTURE AFFORDABLE HOUSING; ALL REDEVELOPMENT AREAS; AGENCY CITYWIDE HOUSING PROGRAM, AS AMENDED, BE ADOPTED.

4. MATTERS OF NEW BUSINESS

CONSENT AGENDA

- 4 (a)** Approval of Minutes: Meetings of December 4, and 11, 2001

ADOPTION: IT WAS MOVED BY MR. SINGH, SECONDED BY MR. DUNLOP, AND UNANIMOUSLY CARRIED THAT CONSENT AGENDA ITEM 4 (a) APPROVAL OF MINUTES: MEETINGS OF DECEMBER 4, AND 11, 2001, BE ADOPTED.

REGULAR AGENDA

- 4 (b) Resolution No. 2-2002, Authorizing a 60-day Extension for the Submission of Responses to the Request for Proposals for the Development of Parcel 732-A, located on the northeast corner of Fillmore and Eddy Streets; Western Addition Redevelopment Project Area A-2

Presenters: Ricky Tijani (Agency staff)

Speakers: Derf Butler

ADOPTION: IT WAS MOVED BY MR. SINGH, SECONDED BY MR. ROMERO, AND UNANIMOUSLY CARRIED THAT ITEM 4(b) RESOLUTION NO. 2-2002, AUTHORIZING A 60-DAY EXTENSION FOR THE SUBMISSION OF RESPONSES TO THE REQUEST FOR PROPOSALS FOR THE DEVELOPMENT OF PARCEL 732-A, LOCATED ON THE NORTHEAST CORNER OF FILLMORE AND EDDY STREETS; WESTERN ADDITION REDEVELOPMENT PROJECT AREA A-2, BE ADOPTED.

- 4 (c) Resolution No. 3-2002, Authorizing Exclusive Negotiations with 3D/International, a Texas Corporation, for Strategic Facilities Management Consultant Services for Yerba Buena Gardens; Yerba Buena Center Redevelopment Project Area

Presenters: William Carney, Denise Blades (Agency staff)

Commissioner Romero put forth a motion to adopt item 4 (c).
Commissioner Palamountain seconded the motion.

Commissioner Yee recalled that there were a total of three respondents to the RFQ and asked if the other two firms who were not selected were in attendance at the Commission meeting and if they were extended the courtesy of an invitation to attend the Commission meeting.

Ms. Denise Blades informed the Commission that the other two firms were not in attendance and were not specifically invited to attend the Commission meeting, but were notified that the matter would be before the Commission.

Commissioner King asked about the affirmative action information for 3D/International and noted that it was not included in the memorandum.

Mr. Chris Iglesias, Contract Compliance Supervisor informed the Commission that staff followed the Agency's equal opportunity procedures and 3D/International had put together a diverse group of consultants and had either met or exceeded the Agency's Minority/Women Business Enterprise

participation. Mr. Iglesias added that 3D/International had a large workforce that had diversity in the various ethnic groups, with 8% Asian, 10% African-American and 15% Latino throughout their job classifications, but primarily in the professional job classes, and that the firms they are using as sub-consultants were primarily women and minority owned businesses based in San Francisco.

Commissioner King observed that there was no workforce breakdown, particularly for women, blacks and minorities in the top administration and asked that the workforce breakdown be provided to the Commission.

President Walker also requested the breakdown with particular interest in women's participation.

Mr. Iglesias affirmed and advised the Commission that an informational memorandum would be prepared for the Commission.

Commissioner Dunlop thanked Ms. Denise Blades for an excellent presentation. Mr. Dunlop recalled that the staff memorandum stated that 3D/International demonstrated particular strengths beyond the minimum qualifications in the highest degree of relevant skills and experience and that they had assessed over 300 million square feet of government and university properties and facilities. Mr. Dunlop stated that their experience made them well qualified for the job and also provided the forward-thinking with the software program that would allow the Agency to monitor today's assessment but be able to look forward as time progressed. Mr. Dunlop complimented staff for its forward thinking and lent his support for the item.

Commissioner Yee asked if the Agency had a standard procedure for inviting firms not selected to attend the Commission meeting, because he may have questions to ask and if they were not in attendance, he would not have the opportunity to ask.

Executive Director Rosen understood that all of the respondents were notified that the matter would be considered by the Commission at that meeting and explained that the Exclusive Negotiations with 3D/International was a recommendation from staff after going through a very thorough evaluation and interview process. Ms. Rosen added that 3D/International met all of the requirements of the RFQ and as Mr. Iglesias emphasized, they exceeded the Agency's equal opportunity and non-discrimination standards. Ms. Rosen explained that all of the firms are notified of the Commission's consideration of the matter, but were not specifically invited to attend the meeting.

Commissioner Yee suggested that it would be good practice to notify the firms who were not selected to attend, if they wanted to.

Commissioner Singh agreed with Commissioner Yee's suggestions and that he would like to see the firms getting the contract. Mr. Singh asked if there were any Indian firms involved with the project.

President Walker recognized that staff was aware of issues raised by the Commission including her interest in women participation.

Commissioner Singh reiterated his interest in the participation of Indian firms in the Agency's work.

Commissioner Romero requested the Executive Director and General Counsel to schedule a closed session briefing of the Commission on the current state of litigation concerning affirmative action and the appropriateness of comments and questions about hiring criteria related to existing litigation on Proposition 209 and recent significant rulings on the matter.

ADOPTION: IT WAS MOVED BY MR. ROMERO, SECONDED BY MS. PALAMOUNTAIN, AND UNANIMOUSLY CARRIED THAT ITEM 4 (c) RESOLUTION NO. 3-2002, AUTHORIZING EXCLUSIVE NEGOTIATIONS WITH 3D/INTERNATIONAL, A TEXAS CORPORATION, FOR STRATEGIC FACILITIES MANAGEMENT CONSULTANT SERVICES FOR YERBA BUENA GARDENS; YERBA BUENA CENTER REDEVELOPMENT PROJECT AREA, BE ADOPTED.

- 4 (d) Resolution No. 4-2002, Authorizing a Purchase and Sales Agreement, Deed and related documents with Alice Fulgham in conjunction with the Agency's repurchase of a single family residence at 72 Garnett Terrace, in an amount not to exceed \$370,000, pursuant to the Agency's Affordable Homeownership Program; Hunters Point Redevelopment Project Area

Presenters: Olson Lee (Agency staff)

Speakers: Alice Fulgham, Claude Carpenter, Doris M. Vincent

Commissioner Yee understood that there would be a second deed of trust recorded and asked if that was considered purchase money deed of trust and if there was any interest involved. Mr. Yee read that the loan would be paid in full at the time of transfer and that there would be a share in the appreciation and asked what was the percentage of appreciation with the Agency.

Mr. Olson Lee informed the Commission that the Agency had a standard form of secondary promissory note secured by a deed of trust. The secondary promissory note repayment is based upon the lesser of two formulas: the loan amount adjusted by the change in median income and the loan amount adjusted by an interest rate and a portion of the appreciation. Mr. Lee did not have the specifics of Ms. Fulgham's payoff calculations, but in general the Agency receives a share of the appreciation and not all the appreciation, so the homeowner gets a share, too. Because of this sharing of appreciation, if the Agency chooses to assist another buyer at the same affordability level, the Agency must put additional funds into a new second mortgage to replace that portion of appreciation that the prior homeowner takes with them. Mr. Lee stated that there is no set interest rate on the second mortgage since the repayment is based upon the lesser of two formulas, one based upon an index of median incomes and another based upon the original loan amount, a factor of 14%, and a share of appreciation.

Commissioner Yee recalled that the purchaser had spent \$14,000 and asked how that expenditure would be handled in the sale of the unit.

Mr. Lee stated that because the Agency would be re-selling the unit to another homebuyer, one of the terms of the purchase was to have the unit in a saleable condition, or the Agency would deduct from the appraised value for additional repairs that would be necessary. Mr. Lee added that Agency staff inspected the unit and found some deficiencies, which had mostly been taken care of. The costs for the repair would either be reimbursed to the seller or deducted from the sales price of the unit.

Commissioner Dunlop put forth a motion to adopt item 4 (d) and commented that this was a good project and just one of the many ways the Agency preserved affordable housing.

Commissioner Palamountain seconded the motion and asked if the unit had two or three-bedrooms.

Executive Director Rosen stated that it was a three-bedroom unit and that the Garnett Terrace development was built in 1996, so the unit was relatively new and in good condition for the next homebuyer.

Commissioner Palamountain lent her support for the project, but that she was developing a lot of questions about the Affordable Homeownership First-Time Homebuyer Program and she was interested in a further staff briefing on the mechanics of homeownership and how it works, including such issues as how the costs are calculated and other technical questions. Ms. Palamountain requested Mr. Lee to contact her to schedule the briefing and invited other Commissioners to join her.

Executive Director Rosen added that the size of the second loan, which requires no monthly debt service payment, was the mechanism that actually makes the unit affordable. As was presented earlier by Mr. Lee, the affordability gap had widened – the difference between the actual market value of the property and the amount that a homebuyer of a certain percentage of median income could afford; and that second note represented that value that enabled the homeowner to have mortgage that they could afford and purchase a property far in excess of the value of the first mortgage. That was why five years ago, it only required \$140,000 in the second, but because the value of the property had increased that much it now required the Agency to have a second of \$175,000 and that was the reason for the shared appreciation mechanism in order to capture some of the appreciation and transfer it to the new first-time homebuyer.

President Walker thanked Ms. Rosen for her comments, and suggested that a technical overview of the program would still be helpful.

Commissioner Singh asked if there were any fees or interest payments associated with the second mortgage.

Executive Director Rosen explained that there was a recorded deed of trust and that the money was recaptured at the time of sale. There was an interest calculation at the time of repayment, but there was no monthly interest carrying cost.

ADOPTION: IT WAS MOVED BY MR. DUNLOP, SECONDED BY MS. PALAMOUNTAIN, AND UNANIMOUSLY CARRIED THAT ITEM 4 (d) RESOLUTION NO. 4-2002, AUTHORIZING A PURCHASE AND SALES AGREEMENT, DEED AND RELATED DOCUMENTS WITH ALICE FULGHAM IN CONJUNCTION WITH THE AGENCY'S REPURCHASE OF A SINGLE FAMILY RESIDENCE AT 72 GARNETT TERRACE, IN AN AMOUNT NOT TO EXCEED \$370,000, PURSUANT TO THE AGENCY'S AFFORDABLE HOMEOWNERSHIP PROGRAM; HUNTERS POINT REDEVELOPMENT PROJECT AREA, BE ADOPTED.

5. MATTERS NOT APPEARING ON AGENDA - None.

6. PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY RELATED MATTERS - None.

7. REPORT OF THE PRESIDENT

- President Walker welcomed and thanked everyone for attending the meeting and hoped that Commission meetings would continue to be accessible and would look at a number of ways to make sure that the meetings were accessible and available to all members of the public. Ms. Walker encouraged the public to call on the Commission Secretary if they had items they wanted placed on the Agenda.

8. REPORT OF THE EXECUTIVE DIRECTOR

- RFP for Sixth Street sidewalk cleaning, litter removal and graffiti abatement services – submission date extended to January 4th and had received seven submissions, four from private companies and three from non-profits. Staff was evaluating the responses and would have a recommendation to the Commission at its January 29th meeting.
- Information memorandum regarding the Olympic Torch Run which will pass at Japantown on January 18th, approximately 6:00 p.m.
- Parcel 732-A marketing and broader Fillmore Street economic revitalization – Agency-sponsored walks through the district with the first walk on December 17, 2001 and the next one scheduled for January 17, 2002. Western Addition Senior Project Manager Shirley Wysinger was coordinating the walks and asked the public to contact the Agency for more information.

Commissioner Singh asked how long the walk was.

Ms. Shirley Wysinger informed the Commission that the walk took about one and half-hours and added that the walking tour ended at Rasselas Jazz Club to provide a question and answer session to those who participated in the walk, and that the Northern Station Police Department also participated.

- Housing closings at the end of 2001:
 - 4800 Third Street on December 14, 2001
 - 820 O'Farrell on December 31, 2001
 - Derek Silva on December 31, 2001
 - Dudley Hotel on January 4, 2002
- Library Commission acted favorably on the Letter of Intent for the Mission Bay Library at the Mission Bay Senior housing development at its meeting of December 20, 2001.

- Announced that there would be no Commission meeting on January 15th and the next regular meeting would be on January 22nd. Commissioners Singh and Yee asked why the January 15th meeting was cancelled.

Executive Director Rosen informed the Commission that in light of the fact that there were only two items scheduled for January 15th that were not time sensitive, President Walker suggested consolidating the items into the next meeting to make more efficient use of Commissioners' time and staff's time.

President Walker added that if there were only two items, which were not time sensitive, staff's time would be better used on other pressing matters as opposed to preparing for the Commission meeting.

Commissioner Singh agreed that was a good idea, but the other Commissioners should be advised ahead of time and to have a consensus of the Commission.

Executive Director Rosen shared that as was customary, the schedule was set at the Agenda setting meeting of the President and Vice-President.

9. COMMISSIONERS QUESTIONS AND MATTERS

- Commissioner Yee inquired about an earlier item on the Agenda regarding Parcel 732-A and read from page 5 of 26 of the RFP pertaining to the Notice of Contaminated Soils on the site where it stated that "the Agency will provide a fixed reimbursement allowance of up to \$1 million for the incremental cost directly associated with the remediation of the contaminants." Mr. Yee stated that it was not a good idea to not disclose the total cost of remediation as that might cause developers to not respond to the RFP. Mr. Yee recalled that the parcel had not been developed for over 10 or 11 years and suggested spending a little time and money to determine the extent of the contamination and cost of remediation and to disclose it to the public and the development community.

Executive Director Rosen pointed out that the Agency had conducted Phase I and II environmental studies of the site and would provide those studies to potential developers. Ms. Rosen added that it was part of the developer's due diligence to look at issues like this and the environmental studies would be made available to prospective developers for the site.

- Commissioner Yee inquired about the acquisition of properties along the Sixth Street corridor and asked the Executive Director for an update.

Executive Director Rosen informed the Commission that staff would be scheduling a closed session meeting regarding real property negotiations and

advised that further discussion of property negotiations during open session would not be advisable.

- Commissioner Yee thanked the Commission Secretary for providing the videotapes of the November 8, 2001 Board of Supervisors Housing, Transportation and Land Use Committee meeting regarding the Plaza Hotel. Mr. Yee viewed the videotape and observed that the meeting was very interesting and that Agency staff did a good job.
- Commissioner Yee asked if the Agency audited non-profit and for-profit organizations that received funding from the Agency.

Executive Director Rosen stated that there would be different circumstances whether it was provisions of a loan agreement which had certain monitoring requirements or certain contracts and grants which may have different provisions of what the specific legal contract with the Agency provided rather than some standard audit function.

- Commissioner Yee expressed his concern that there may be a loophole for abusing the funds, one of which was the commercial income portion of the development. Mr. Yee cited a hypothetical example where two commercial spaces were rented, one for \$5,000 a month and the other \$10,000 a month, and asked if the Agency kept track of the commercial rent money for the spaces.

Executive Director Rosen stated that it was very fact specific to the legal obligations that a particular property owner or borrower had with the Agency, and so there was no generic answer to Mr. Yee's question. In some circumstances, the commercial income was outside the scope of any legal obligation to the Agency, and in many recent circumstances, the commercial income was part of the revenue stream that was calculated and restricted by the loan agreement or by the disposition or ground lease agreements.

10. CLOSED SESSION

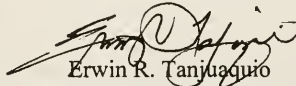
- (a) Pursuant to Government Code Section 54956(a): Conference with Legal Counsel regarding litigation:
 - (1) Armax Yerba Buena, LLC v. SFRA (Superior Court Case No. CGC-01-402761)
 - (2) West Bay Builders, Inc. v. Brava for Women in the Arts, et.al. (Superior Court Case No. 401146)
- (b) Pursuant to Government Code §54956.9(b), Conference with Legal Counsel regarding anticipated litigation: One potential case

- (b) Pursuant to Government Code §54956.9(b), Conference with Legal Counsel regarding anticipated litigation: One potential case

11. **ADJOURNMENT**

It was moved by Mr. Romero, seconded by Mr. Yee, and unanimously carried that the meeting be adjourned. The meeting adjourned at 7:51 p.m.

Respectfully submitted,



Erwin R. Tanjuaquio
Agency Secretary

APPROVED:

February 12, 2002

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
22ND DAY OF JANUARY 2002

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at City Hall, 1 Dr. Carlton B. Goodlett Place, Room 416, in the City of San Francisco, California, at 4:00p.m. on the 22nd day of January 2002, at the place and date duly established for holding of such a meeting.

President Chantel L. Walker called the meeting to order at 4:25 p.m. President Walker asked that cell phones and pagers be turned off during the meeting.

1. Recognition of a Quorum

The Commission Secretary announced the presence of a quorum with the following Commissioners present.

Chantel L. Walker, President
Kathryn C. Palamountain, Vice President
Mark Dunlop
Leroy King
Ramon E. Romero
Darshan Singh

DOCUMENTS DEPT.

And the following were absent:

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Benny Y. Yee

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Marcia Rosen, Executive Director, and staff members were also present.

The Commission met in a Special Meeting as the Housing Committee of the Affordable Housing and Home Ownership Bond Program before commencing the Regular Agency Meeting Agenda. The Housing Committee meeting was called to order at 4:00 p.m. and adjourned at 4:20 p.m.

2. Report on actions taken at previous Closed Session meeting, if any. None.

3. Matters of Unfinished Business: None.

4. MATTERS OF NEW BUSINESS

CONSENT AGENDA

- 4 (a) Approval of Minutes: Regular Meeting of December 18, 2001, and Special Meeting of December 19, 2001
- 4 (b) Resolution No. 5-2002, Authorizing an Eighth Amendment to the Letter Agreement with the Treasure Island Development Authority, increasing the amount of the Agreement by \$37,882 for oversight of environmental remediation activities, and extending the term of the Agreement from January 1, 2002 to June 30, 2002

ADOPTION: IT WAS MOVED BY MR. DUNLOP, SECONDED BY MR. SINGH, AND UNANIMOUSLY CARRIED (MR. YEE ABSENT) THAT CONSENT AGENDA ITEMS 4 (a) APPROVAL OF MINUTES: REGULAR MEETING OF DECEMBER 18, 2001, AND SPECIAL MEETING OF DECEMBER 19, 2001, AND 4 (b) RESOLUTION NO. 5-2002, AUTHORIZING AN EIGHTH AMENDMENT TO THE LETTER AGREEMENT WITH THE TREASURE ISLAND DEVELOPMENT AUTHORITY, INCREASING THE AMOUNT OF THE AGREEMENT BY \$37,882 FOR OVERSIGHT OF ENVIRONMENTAL REMEDIATION ACTIVITIES, AND EXTENDING THE TERM OF THE AGREEMENT FROM JANUARY 1, 2002 TO JUNE 30, 2002, BE ADOPTED.

REGULAR AGENDA

- 4 (c) Resolution No. 6-2002, Commending and Expressing Appreciation to Darby J. Kremers upon the occasion of her Retirement from the Redevelopment Agency of the City and County of San Francisco

Presenters: Agency Commission Secretary Erwin R. Tanjuaquio read the Commendation Resolution for Darby J. Kremers.

Speakers: Judy Eng (Agency staff)

Commissioner Romero shared that when he first started as a new lawyer at the California Teachers' Association Darby's mother, the late Barbara Nelson who was the top administrative person in the legal division, was the one who helped him get around. Mr. Romero stated that Ms. Nelson was a very hard-working person and saw the same character in Darby during his four years on the Commission and that Darby was a credit to the Agency. Mr. Romero wished Ms. Kremers the best in her retirement and thanked her for her wonderful work for the Agency.

Commissioner Dunlop remarked that the Agency was losing a valuable member of its staff who had a very good career with the Agency. Mr. Dunlop stated that he was sorry to see Ms. Kremers go and that he had watched and admired her for many years, and although she was not the loudest person she got her point across like a quiet tornado. Mr. Dunlop expressed that he would miss Darby and thanked Ms. Kremers for her 31 years of service to the Agency.

Commissioner Palamountain felt bad that she would hear about staff's skills and contributions only when they were retiring, and she had a lot to thank Darby for in many capacities. Ms. Palamountain was struck with the way Darby started out with the Agency that resulted in her steady career growth and thanked her first as a female professional. Ms. Palamountain honored and recognized the debt of other women to her that would follow and that it was not very easy to break ground in primarily male-dominated professions and the accomplishments of the Agency were in large part to Darby's leadership. As a Commissioner, Ms. Palamountain thanked Darby for her services and for being a calm in the storm because when Darby spoke, she spoke with authority and with a quiet dignity that made everyone pay attention to her important statements. Ms. Palamountain praised Darby for her dedication and for working long hours as she had witnessed when coming back to the Agency parking garage on late evenings and saw Darby's car still parked. As a resident of San Francisco, Ms. Palamountain thanked Darby for her commitment and dedication in making the Agency's project areas work along with other Agency staff, but specially honored Darby for her contributions in making San Francisco such a nice place to live.

Commissioner Singh shared that he had known Darby for six years and that she was a very hardworking person who always had a smile on her face. Mr. Singh expressed that he would miss Darby and thanked her for her hard work and service to the Agency.

Commissioner King thanked Darby for her leadership in saving the Victorian housing in Western Addition many years ago. Mr. King praised her for doing a good job during the past 20 years he had been a Commissioner and thanked Darby for her dedicated services to the Agency.

ADOPTION: IT WAS MOVED BY MR. ROMERO, SECONDED BY MR. DUNLOP, AND UNANIMOUSLY CARRIED (MR. YEE ABSENT) THAT ITEM 4 (c) RESOLUTION NO. 6-2002, COMMENDING AND EXPRESSING APPRECIATION TO DARBY J. KREMERS UPON THE OCCASION OF HER RETIREMENT FROM THE REDEVELOPMENT AGENCY OF THE CITY AND COUNTY OF SAN FRANCISCO, BE ADOPTED.

Ms. Darby Kremers addressed the Commission and thanked the Commissioners and staff for their support during her 31-year career with the Agency. Ms. Kremers acknowledged the Agency's Development and Real Estate staff and informed the Commission that the staff would continue to serve the Agency well into the future.

4 (d) Workshop on the Progress report on Plan Adoption Consultant Panel work for Survey and Project Areas

Presenters: Jose Campos (Agency staff)

Speakers: James L. Martin (BVHP PAC Chair)

Commissioner Dunlop noted that specific items related to the various plan adoptions would be coming before the Commission and that the staff and the Commission would have a very busy summer and fall. Mr. Dunlop looked forward to the work and thanked staff for its presentation and hard work.

Commissioner Palamountain thanked staff for its hard work and recalled Lisa King's presentation at a previous Commission meeting where the Commission was informed about 14 community meetings that were held in Mid-Market. Ms. Palamountain was specifically interested in the attendance at the community meetings of any homeless people and their input, the attendance of mono-lingual but non-English speaking people and what specific input they had. Ms. Palamountain recalled Mr. Campos' statements that community ideas had been incorporated in the draft redevelopment plan and asked that those sections of the redevelopment plan affected by community suggestions be highlighted. Ms. Palamountain suggested that staff's responses may be written in an informational memorandum to the Commission and thanked staff for its hard work.

President Walker thanked Commissioner Palamountain for the advance questions to staff and encouraged other Commissioners to list their comments, questions or thoughts and provide them to the Executive Director so that responses could be prepared by staff.

President Walker asked what triggered the plan amendments for South of Market and Western Addition.

Mr. Jose Campos responded that the redevelopment plan for South of Market was adopted in 1990 and soon thereafter, there was a desire to utilize eminent domain as one of the tools in the redevelopment tool kit and that in 1996, a proposed plan amendment was prepared working with the community. Mr. Campos added that an Environmental Impact Report was also certified as part of the proposed plan amendment. Following this, the

Project Area Committee was elected and had been working with staff on the plan amendment. Mr. Campos stated that for Western Addition, the opportunity to develop housing on the former central freeway parcels precipitated looking at amending the Western Addition redevelopment plan.

- **MATTERS NOT APPEARING ON AGENDA** - None.

- **PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY RELATED MATTERS**

- James L. Martin (BVHP PAC Chair)

7. **REPORT OF THE PRESIDENT**

- President Walker hoped that everyone had a thoughtful and enjoyable Martin Luther King, Jr. holiday. Ms. Walker shared that she and other Commissioners and staff celebrated Martin Luther King, Jr. birthday at a labor community prayer breakfast held on January 21st and that it was a good way to celebrate Dr. King's contribution and sacrifice that have changed many lives.
- President Walker informed the public that the Agency continued to look at ways of making public access easy and comfortable and encouraged members of the public to send e-mails, voice-mails, faxes to the Commission Secretary on how the Agency could improve public access and the Commission wanted to include the public's input in addressing this very important matter.

8. **REPORT OF THE EXECUTIVE DIRECTOR**

- (a) Agency's direct development of very low-income rental housing at the Plaza Hotel, 988-992 Howard Street, South of Market Earthquake Recovery Redevelopment Project Area

Presenters: Olson Lee (Agency staff)

President Walker established a two-minute time limit for public testimony.

Speakers: Allan Manalo, John Elberling, David Delgado, Nancy Brunn, Daphne Benson, Amee Patten, Richard Marquez, Donna Rowles, Mark Marking, Christina (no last name)

President Walker thanked the public for its comments.

Commissioner Dunlop thanked staff for a very thorough memorandum on the internal development rationale as well as the seven criteria for direct development. Mr. Dunlop recalled that the Agency purchased the Plaza Hotel one year ago and that the RFP was issued over a year ago and the delays had left 115 units of low-cost housing not built. Mr. Dunlop stated that newly elected President Walker had not been with the Agency to see the hundreds of people that have attended the meetings pleading to the Commission to go forward with the Plaza Hotel. Referring to the staff memorandum, Mr. Dunlop stated that if the Agency were to do direct development, it must plan ahead to undertake such endeavor and that a project that has undergone a RFP process that resulted in the selection of a qualified developer should not be delayed. Mr. Dunlop noted that the respondent not only met, but also exceeded the RFP and that he did not see or hear any logical reason for not going forward with TODCO. Mr. Dunlop stated that it was obvious that if the Agency were to develop the Plaza Hotel, it would not meet any of the seven criteria on direct development that the Commission adopted with a unanimous vote. Mr. Dunlop reminded the Commission that the Board of Supervisors with a vote of 10 to 1 adopted a resolution to proceed with the TODCO development of the Plaza Hotel. Mr. Dunlop expressed that the most important issue was the time factor, that as the Agency continued to delay moving forward with the Plaza Hotel, there remained 115 units not built for people that badly needed safe, decent and affordable housing. Mr. Dunlop observed that the process had gone on too long and that it was obvious from the staff memorandum that the right thing to do was to enter into exclusive negotiations with TODCO for the development of the Plaza Hotel. Mr. Dunlop put forth a motion to place on the February 5th Agenda, the exclusive negotiations with TODCO.

Commissioner Romero seconded the motion and thanked staff for its hard work; specifically looking at the significant steps the Agency must take to directly develop the Plaza Hotel. Mr. Romero stated that staff's analysis confirmed that the Agency should not do direct development of affordable housing and recalled John Elberling's comments about the cost to the Agency of becoming a housing developer. Mr. Romero observed that with the current economic downturn and the City facing a budget deficit, he did not see how the Agency could undertake the added major responsibility of doing direct development and may require a new department because such undertaking would put a lot of strain on the Agency's staff resources. Mr. Romero commented that it was significantly different to oversee development than to be the actual developer. Mr. Romero reiterated his second to Commissioner Dunlop's motion and that the Agency should move forward with TODCO to develop the Plaza Hotel.

President Walker recognized Commissioner Dunlop's statements that she had not been with the Agency for a long time, but that the Commission was proceeding with moving forward on the issue.

Commissioner King disagreed with Commissioners' evaluation of direct development for the Plaza Hotel and thanked staff for doing a good job of analyzing the issues surrounding the Plaza Hotel. Mr. King thought that the discussion was to see how the Agency could directly develop the Plaza Hotel and now, other Commissioners were proffering to bring TODCO back. Mr. King expressed his disagreement and that it was not fair a fair discussion to put the TODCO matter back on the Agency, particularly with Commissioner Yee not in attendance. Mr. King complimented Olson Lee for doing a good job on the staff report and stated that based on staff's analysis, maybe the Agency could not do direct development, it may be too expensive, but the Commission had not had the opportunity to fully evaluate the implications of staff's analysis. Mr. King remarked that it was a disgrace for other Commissioners to use the tactic of putting the TODCO matter back on the Agenda because Commissioner Yee would not have the opportunity to raise questions or participate in the discussion. Mr. King stated his opposition to the motion and that he would vote against the motion.

Commissioner Palamountain recognized Richard Marquez's comments about some members of the public not being able to attend the meeting because of scheduling conflicts, and shared that she and President Walker were very interested in looking at the Commission's policies on making the Commission more accessible to the public, specifically the starting times for the Commission meetings to accommodate the public's schedule. Ms. Palamountain encouraged the public to call, write or e-mail the Commission Secretary with suggestions on how the Commission could become more accessible to the public. Ms. Palamountain stated her support for the motion on the floor because she took seriously the Mayor's direction on direct development and staff's analysis using the Commission's seven criteria on direct development raised significant issues on the Agency's ability and capacity to do direct development. Ms. Palamountain agreed with staff that a single-asset corporation with a non-profit board structure be formed to undertake direct development and that she supported the idea of delegation of responsibility to the non-profit board to make decisions on building, managing and operating the development. She also agreed with contracting with outside entities because of possible cost-saving measures and wanted to explore the opportunity cost for negotiating with outside contractors for services and operations. Ms. Palamountain recalled Olson Lee's statement that there may be an opportunity cost with assigning a staff person to work half time on direct development of the Plaza Hotel and wanted to know what the designated staff could accomplish – how many units compared to the 115 units at the Plaza could be leveraged by overseeing or providing technical assistance and support to a variety of non-profit or for-profit private developers trying to build low-income housing. As an example, if the designated staff working on the direct development of Plaza meant that

staff person could not provide assistance to other organizations that would result in hundreds of housing units being built, then that might give her pause and concern. Ms. Palamountain recalled another statement by Olson Lee that there would be a major difficulty with the timing of construction bids and the application for non-local funding sources and wanted more information on what opportunities would be lost due to the timing problems and the potential of losing the opportunities to produce housing. Ms. Palamountain expressed concern with what effects direct development would have on the prospective tenants of the Plaza Hotel and that the Agency must ensure that if it built housing, it must also plan for the management and operations of the development, and to provide supportive social services to the tenants. The Agency must plan ahead and not simply contract out the supportive services. Ms. Palamountain stated that the Agency should not proceed with the direct development of the Plaza Hotel because it could not build it with the efficiency and cost-savings of experienced private developers and that she supported Commissioner Dunlop's motion.

Commissioner Singh asked the General Counsel if the Plaza Hotel matter that was voted down by the Commission previously, could be brought back on the agenda.

General Counsel Bertha A. Ontiveros stated that Commissioner Singh's question had been asked before when there was a Parliamentarian in attendance at the meeting, and the Parliamentarian's ruling was that the motion could be brought back before the Commission at any time that the Commission wanted to consider it again. Ms. Ontiveros reminded the Commission that the Parliamentarian had used the hypothetical of a city council voting against the purchase of a fire truck and that such a vote would not preclude the city council from approving the purchase of a fire truck at a subsequent meeting.

Commissioner Singh inquired about Robert's Rules or Order pertaining to the making of a motion on a matter that was previously defeated and that only members on the winning side could make the motion to bring the matter back for reconsideration.

General Counsel Ontiveros responded that what Commissioner Singh was referring to was the rule on making a motion to reconsider a motion at the same meeting, where only members voting for the item could make the motion to reconsider. Ms. Ontiveros explained that was not the case with Commissioner Dunlop's motion. Ms. Ontiveros informed the Commission that the specific rule on the reconsideration of a motion was rule number 37, on page 304 of the Robert's Rules of Order.

President Walker suggested a friendly amendment to Commissioner Dunlop's motion to calendar the item on February 12th instead of February 5th.

Commissioner Romero offered to make the friendly amendment and was seconded by Commissioner Dunlop.

MOTION: IT WAS MOVED BY MR. DUNLOP, SECONDED BY MR. ROMERO, TO PLACE ON THE FEBRUARY 12TH COMMISSION MEETING AGENDA, THE AUTHORIZATION FOR AN EXCLUSIVE NEGOTIATIONS AGREEMENT WITH GP/TODCO FOR THE DEVELOPMENT OF THE PLAZA HOTEL, AND ON ROLL CALL, THE FOLLOWING VOTED "AYE":

Mr. Dunlop
Ms. Palamountain
Mr. Romero
Ms. Walker

AND THE FOLLOWING VOTED "NAY":

Mr. King
Mr. Singh

AND THE FOLLOWING WERE ABSENT.

Mr. Yee

THE SECRETARY DECLARED THE RESULTS OF THE ROLL CALL VOTE, FOUR (4) AYES, TWO (2) NAYS, AND ONE (1) ABSENT.

THE PRESIDENT THEREUPON DECLARED THAT THE MOTION CARRIED.

At this time, Executive Director Rosen continued with her report.

- Conducted second walking tour of the Fillmore District on January 17th with over 50 participants to promote Parcel 732-A as well as the MUNI Substation and discuss the economic revitalization for Fillmore Street.
- Spoke at the Urban Fellow Conference in Orlando, Florida the previous week and presented on "Leadership Challenges in the Public Sector." Ms. Rosen reminded the Commission that they have met the current Agency Urban Fellow, John Lucero and that the Agency's Planning Supervisor Jose Campos started at the Agency as an Urban Fellow.

- Informed the Commission about the U.S. Conference of Mayors Annual Meeting held in Washington, D.C. – A Housing Plenary Session on January 23rd co-chaired by Mayors Brown and Menino, on “Successful Housing Initiatives in Local Communities” in which Nelson Rising, CEO of Catellus, was the only private developer invited to address the conference about the partnership between Catellus and the Agency on Mission Bay affordable housing projects.
- Congratulated President Walker on her appointment by the Governor to the State Bar Board of Governors, as a public member of the State Bar.
- Commissioner Singh congratulated President Walker on her appointment.

9. COMMISSIONERS QUESTIONS AND MATTERS

- Commissioner Dunlop congratulated President Walker on her appointment and thanked her for the wonderful meeting binders with the divider tabs. Mr. Dunlop recalled Richard Marquez’s comments about making Commission meetings more accessible to the public and remarked that the Agency served the public and not developers, and urged President Walker to continue looking at ways to make the Commission meetings accessible to the public, especially the poor who may have to take time off work to come to the meetings.
- President Walker affirmed and asked the public in attendance and those listening on the radio to give their suggestions and guidance for making the Commission meetings more accessible.

10. CLOSED SESSION

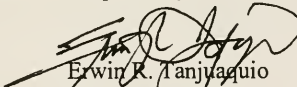
- (a) Pursuant to Government Code § 54956.8 to instruct the Agency's real property negotiators regarding Terms of Conveyance for the Hunters Point Shipyard. Property Owner: U.S. Navy. Agency negotiators: Marcia Rosen, Don Capobres, Kevin Warner
- (b) Pursuant to Government Code § 54956.8 to instruct the Agency’s real property negotiators with respect to price and term of payment for the following properties along the Sixth Street corridor, within the South of Market Earthquake Recovery Redevelopment Project Area. Agency negotiators: Olson Lee, Bill Carney, Sean Spear and Vanessa Dandridge.
 - (1) Henry Hotel located at 106-112 Sixth Street, Assessor Block No. 3726, Lot 002 Owners: Brandt Nicholson & Nick Patel
 - (2) Minna Lee Hotel located at 139-149 Sixth Street, Assessor Block No. 3725, Lot 063 Owner: Kiran Patel

- (3) Alder Hotel located at 169-183 Sixth Street, Assessor Block No 3725, Lot 026 Owner: Vijaykumar D. Patel
- (c) Pursuant to Government Code § 54956.9(a): Conference with Legal Counsel regarding litigation: Emeric-Goodman Associates, a California Limited Liability Company v. Redevelopment Agency of the City and County of San Francisco, San Francisco County Superior, Case No. 320427.

11. ADJOURNMENT

It was moved by Mr. Dunlop, seconded by Ms. Palamountain, and unanimously carried that the meeting be adjourned. The meeting adjourned at 7:20 p.m.

Respectfully submitted,



Erwin R. Tanjuaquio
Agency Secretary

APPROVED:

February 19, 2002

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
29TH DAY OF JANUARY 2002

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at City Hall, 1 Dr. Carlton B. Goodlett Place, Room 416, in the City of San Francisco, California, at 4:00p.m. on the 29th day of January 2002, at the place and date duly established for holding of such a meeting.

President Chantel L. Walker called the meeting to order at 4:05 p.m. President Walker welcomed members of the public and asked that cell phones and pagers be turned off during the meeting.

1. Recognition of a Quorum

The Commission Secretary announced the presence of a quorum with the following Commissioners present.

Chantel L. Walker, President
Kathryn C. Palamountain, Vice President
Mark Dunlop
Leroy King (arrived at 4:15 p.m.)
Ramon E. Romero
Darshan Singh (arrived at 4:20 p.m.)
Benny Y. Yee (arrived at 4:15 p.m.)

DOCUMENTS DEPT.

SEP 14 2007

And the following were absent:

SAN FRANCISCO
PUBLIC LIBRARY

Marcia Rosen, Executive Director, and staff members were also present.

2. Report on actions taken at previous Closed Session meeting, if any.

- (a) Pursuant to Government Code § 54956.9(a): Conference with Legal Counsel regarding litigation: Emeric-Goodman Associates, a California Limited Liability Company v. Redevelopment Agency of the City and County of San Francisco, San Francisco County Superior, Case No. 320427.

Executive Director Marcia Rosen reported that at the Closed Session meeting of January 22, 2002, the Commission with a vote of six to zero, took the following actions: (1) approve a settlement regarding the existing case of Emeric-Goodman Associates, a California Limited Liability Company v. Redevelopment Agency of the City and County of San Francisco; (b) directed outside Counsel to execute a stipulation and notice of settlement. The Agency entered into a Land Disposition Agreement (LDA) dated December 27, 1978

with Alan Wofsy and Associates concerning the Goodman Building at 1109-1121 Geary Boulevard. The LDA was later assigned to Emeric Goodman Associates. A dispute arose between the Agency and Emeric Goodman regarding how long the owner was required to maintain HUD Section 8 housing on the site. Emeric Goodman filed suit to resolve the dispute and the Commission authorized the Executive Director to execute the settlement and release agreement on the following terms: Agency agreed that the LDA required HUD Section 8 housing on the site for 20 years which end on December 19, 2004. Each side waived all claims regarding this issue only; each side agreed not to bring or participate in a lawsuit against the other on this issue only except as required by law; no admission of liability by either side; no monetary contribution from the Agency; each side to bear its own attorneys' fees and costs; plaintiff will dismiss the lawsuit with prejudice.

3. **Matters of Unfinished Business:** None.

4. **Matters Of New Business**

CONSENT AGENDA

- 4 (a) Resolution No. 7-2002, Authorizing a First Amendment to the Owner Participation/Disposition and Development Agreement with LNR-Lennar Brannan Street, LLC, a California limited liability company; for the Brannan Square Mixed Use Development, Site G, Assessor Block 3774, Lots 18 and 24, to Extend certain dates in the Schedule of Performance; Rincon Point-South Beach Redevelopment Project Area
- 4 (b) Resolution No. 8-2002, Authorizing a Second Amendment to the HOPWA Capital Loan Agreement for Church Street Housing Associates, a California limited partnership, whose general partner is Bridge Housing Corporation, a California nonprofit public benefit corporation, to Modify the term of the loan from 60 to 55 years and to make certain other technical corrections in conjunction with the construction of 12 very low income HOPWA units in the 93-unit low income rental development at 1 Church Street

ADOPTION: IT WAS MOVED BY MR. ROMERO, SECONDED BY MR. DUNLOP, THAT CONSENT AGENDA ITEMS 4 (a) RESOLUTION NO. 7-2002, AUTHORIZING A FIRST AMENDMENT TO THE OWNER PARTICIPATION/DISPOSITION AND DEVELOPMENT AGREEMENT WITH LNR-LENNAR BRANNAN STREET, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY; FOR THE BRANNAN SQUARE MIXED USE DEVELOPMENT, SITE G, ASSESSOR BLOCK 3774, LOTS 18 AND 24, TO EXTEND CERTAIN DATES IN THE SCHEDULE OF PERFORMANCE; RINCON POINT-SOUTH BEACH REDEVELOPMENT PROJECT AREA, AND 4 (b) RESOLUTION NO. 8-

2002, AUTHORIZING A SECOND AMENDMENT TO THE HOPWA CAPITAL LOAN AGREEMENT FOR CHURCH STREET HOUSING ASSOCIATES, A CALIFORNIA LIMITED PARTNERSHIP, WHOSE GENERAL PARTNER IS BRIDGE HOUSING CORPORATION, A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION, TO MODIFY THE TERM OF THE LOAN FROM 60 TO 55 YEARS AND TO MAKE CERTAIN OTHER TECHNICAL CORRECTIONS IN CONJUNCTION WITH THE CONSTRUCTION OF 12 VERY LOW INCOME HOPWA UNITS IN THE 93-UNIT LOW INCOME RENTAL DEVELOPMENT AT 1 CHURCH STREET, BE ADOPTED AND ON ROLL CALL, THE FOLLOWING VOTED "AYE":

Mr. Dunlop
Ms. Palamountain
Mr. Romero
Ms. Walker

AND THE FOLLOWING VOTED "NAY":

AND THE FOLLOWING WERE ABSENT.

Mr. King
Mr. Singh
Mr. Yee

THE SECRETARY DECLARED THE RESULTS OF THE ROLL CALL VOTE, FOUR (4) AYES, THREE (3) ABSENTS.

THE PRESIDENT THEREUPON DECLARED THAT THE MOTION CARRIED.

REGULAR AGENDA

- 4 (c) Resolution No. 9-2002, Approving a Letter Agreement with the San Francisco Art Commission to Provide Administrative Services for the Fillmore Bridge Artwork Project in an amount not to exceed \$225,000; Western Addition Redevelopment Project Area-2

Presenters: Thomas Ma (Agency staff)

ADOPTION: IT WAS MOVED BY MR. DUNLOP, SECONDED BY MR. ROMERO, THAT ITEM 4 (c) RESOLUTION NO. 9-2002, APPROVING A LETTER AGREEMENT WITH THE SAN FRANCISCO ART COMMISSION TO PROVIDE ADMINISTRATIVE SERVICES FOR THE FILLMORE BRIDGE ARTWORK PROJECT IN AN AMOUNT NOT TO EXCEED \$225,000; WESTERN ADDITION REDEVELOPMENT PROJECT AREA-2, BE ADOPTED AND ON ROLL CALL, THE FOLLOWING VOTED "AYE":

Mr. Dunlop
Mr. King
Ms. Palamountain
Mr. Romero
Mr. Yee
Ms. Walker

AND THE FOLLOWING VOTED "NAY":

AND THE FOLLOWING WERE ABSENT.

Mr. Singh

THE SECRETARY DECLARED THE RESULTS OF THE ROLL CALL VOTE, SIX (6) AYES, ONE (1) ABSENT.

THE PRESIDENT THEREUPON DECLARED THAT THE MOTION CARRIED.

- 4 (d)** Resolution No. 10-2002, Authorizing a First Amendment to the Personal Service Contract with McCoy's Patrol Services for Security Services at the Hunters Point Shipyard by Extending the term 12 months and Increasing by \$150,000 for a total aggregate amount not to exceed \$360,000; Hunters Point Shipyard Redevelopment Project Area

Presenters: Isabella Wong (Agency staff)

Commissioner Singh expressed concern about identification checks when entering the Shipyard.

Ms. Isabella Wong informed the Commission that standard security operating procedures were being followed.

Commissioner Dunlop put forth a motion to adopt the item and asked if Lennar would pay for the security.

Mr. Don Capobres informed the Commission that in negotiating the interim lease, Lennar would take over the maintenance and operations of the Shipyard and would pay for the security.

Commissioner Yee had the same concern as Commissioner Singh regarding identification checks at the Shipyard gate entrance and shared that he had observed cars being let in through the gate without being checked by the guards. Mr. Yee asked why the contract term was being extended from 18 to 30 months and not 36 months.

Ms. Isabella Wong informed the Commission that it was anticipated that the Shipyard would be transferred to the Agency sometime this year and it was not necessary to extend the security contract for more than one year.

Commissioner Romero inquired about access to the Shipyard and if there were any restricted areas and if anyone could enter the Shipyard. Mr. Romero asked if McCoy provided other security services in addition to guarding the entrance gate. Mr. Romero seconded the motion.

Mr. Don Capobres informed the Commission that the Agency's sub-tenants and the Navy's tenants had access to the Shipyard, but there are restricted areas where the Navy was conducting cleanup and remediation activities that had been fenced-off. Workers have IDs and people who had business in the Shipyard are provided with day-passes. The Agency had implemented a system of picture IDs for all of its sub-tenants, as well as Agency staff and others doing business in the Shipyard. Mr. Capobres stated that McCoy's services entailed guarding the entrance gate and coordinated with the Department of Defense security in the Shipyard.

President Walker asked if there were any specific improvements identified in the extended contract to address some of the issues that have been raised.

Ms. Jacqueline Coleman, Chief Operating Officer of McCoy's Patrol Services stated that they had addressed the concerns that were raised in the prior year, specifically changing the security personnel and working with Agency staff on the picture IDs and would stay on top of any problems that arose.

ADOPTION: IT WAS MOVED BY MR. DUNLOP, SECONDED BY MR. ROMERO, THAT ITEM 4 (d) RESOLUTION NO. 10-2002, AUTHORIZING A FIRST AMENDMENT TO THE PERSONAL SERVICE CONTRACT WITH MCCOY'S PATROL SERVICES FOR SECURITY SERVICES AT THE HUNTERS POINT SHIPYARD BY EXTENDING THE TERM 12 MONTHS AND INCREASING BY \$150,000 FOR A TOTAL AGGREGATE AMOUNT NOT TO EXCEED

\$360,000; HUNTERS POINT SHIPYARD REDEVELOPMENT PROJECT AREA, BE ADOPTED AND ON ROLL CALL, THE FOLLOWING VOTED "AYE":

Mr. Dunlop
Mr. King
Ms. Palamountain
Mr. Romero
Mr. Singh
Mr. Yee
Ms. Walker

AND THE FOLLOWING VOTED "NAY":

AND THE FOLLOWING WERE ABSENT.

THE SECRETARY DECLARED THE RESULTS OF THE ROLL CALL VOTE, SEVEN (7) AYES.

THE PRESIDENT THEREUPON DECLARED THAT THE MOTION CARRIED.

Items 4 (e) and (f) were presented together and acted upon separately.

- 4 (e) Resolution No. 11-2002, Authorizing a Second Amendment to the Personal Services Contract with Sherry Kafka Wagner for implementation oversight of the Action Plan for Zeum increasing the total amount of compensation by \$50,000 for a total aggregate amount not to exceed \$165,000; Yerba Buena Center Redevelopment Project Area
- 4 (f) Resolution No. 12-2002, Authorizing a Sixth Amendment to the Operating Agreement with Zeum, a California non-profit public benefit corporation for Assistance in the implementation of Zeum's Sustainability Plan and Increasing the fiscal year 2001-2002 annual contribution by \$200,000 for a total aggregate amount not to exceed \$863,000; Yerba Buena Center Redevelopment Project Area

Presenters: Cathy Pickering (Agency staff), Sherry Kafka Wagner (consultant), Kari Novatney (Zeum Executive Director)

Speakers: Elizabeth Zitrin, Eli Noyes, Ben Ospital, Chris Madison, Bill Osterhaus

Commissioner Singh congratulated Kari Novatney for doing a wonderful job at Zeum and recognized the hard work of the Zeum board members. Ms. Singh put forth a motion to adopt item 4(e).

Commissioner Dunlop seconded the motion to adopt item 4(e). Mr. Dunlop stated that having been on the Commission for five years, he and the Commission had seen Zeum grow and that he was excited to see Ms. Wagner's work in improving the patronage at Zeum and that he wanted Zeum to succeed. Mr. Dunlop did not realize that the Carousel was part of Zeum and asked how much it cost to maintain the Carousel and why the Recreation and Park Department was not part of maintaining the Carousel. Mr. Dunlop asked if Zeum kept track of the attendance and if it included income statistics and other demographic data, such as the number of minority children served. Mr. Dunlop inquired about Zeum's outreach efforts particularly to underserved population and if the board membership reflected the community.

Ms. Kari Novatney informed the Commission that the Carousel's annual maintenance costs was \$50,000 and that they had been discussing with the Yerba Buena Gardens management to take over the maintenance of the Carousel and that was being implemented soon, which have resulted in a cost savings for the Zeum operations. Ms. Novatney stated that Zeum tracked the attendance with zip code information, which included income data. Zeum did not specifically track attendance by minority children but that they did monthly surveys and indicated a diverse attendance including those of minority children reflective of the City's diverse population.

Commissioner Palamountain acknowledged the hard work of the Zeum Board, Ms. Wagner and Ms. Novatney in their efforts to create a worthy institution in San Francisco and that they were doing this during difficult economic times. Ms. Palamountain inquired about Zeum's November FastFax where it reported an increase in attendance of 80% and a revenue increase of one percent and asked for an explanation of the apparent discrepancy.

Ms. Kari Novatney explained that the increased attendance was in part due to Zeum's Founder's Day that was held in November where 1,300 people attended and the other reason was Zeum's partnership with the Aztec program, which was a collaboration of Science and Technology Museums in the Bay Area where if someone was a member of the other Museums, they would receive a free admission to Zeum. The other reason was the increased membership at Zeum where there were repeat membership uses. These were the reasons for the surge in attendance and only showed a one percent increase in revenue from the prior year. Ms. Sherry Kafka Wagner added that the 31% increase in attendance did not include members.

Commissioner Palamountain enjoyed Ms. Wagner's excellent presentation and progress report. Ms. Palamountain stated that the Commission was struggling between funding the operations of Zeum because the Agency was a development agency rather than an operations agency, but what the Commission was doing was investing in the long-term sustainability of Zeum and that it was good to see the operating figures and positive progress and that the Agency was making an investment and not an operating expense. Ms. Palamountain was glad to see that the attendance was up and that progress was being made and was happy to see a board member who had experience with disable youth. Ms. Palamountain asked Ms. Wagner to describe her proposal to maximize the benefit to both young children and teens.

Ms. Sherry Kafka Wagner explained that the exhibits at Zeum were being integrated throughout the facility to enable patrons to experience all aspects of the exhibits as well as the learning programs.

Ms. Palamountain lent her support for both the contract for Ms. Wagner and the Operating Agreement for Zeum.

Commissioner Yee commended the Zeum team for doing an outstanding job under difficult circumstances and encouraged it to keep up the good work.

President Walker had several questions: (1) how Zeum was working with others in the Children's Center block, (2) how Zeum was tracking its patronage particularly vulnerable low-income families given the substantial public investment in Zeum, (3) how the two contracts before the Commission were different in scope particularly with regard to development and marketing, (4) who were Zeum's other funding sources other than the Agency, and (5) how long did Zeum expect to rely on Agency financial support.

Ms. Novatney informed the Commission that Zeum continued to work with all of the facilities in the Yerba Buena Gardens including the Ice Skating Rink, the Bowling Alley and the Children's Center. In addition, Zeum works with the Bessie Carmichael Elementary School, the Filipino Education Center, the Tenderloin Youth Center, and the Beacon Center at Mission High School. Zeum had received financial support from the Hewlett Foundation of \$50,000, California Arts Council of \$20,000, Corett Foundation of \$15,000 and from the Ethan Cummings Foundation of New York, Wells Fargo Foundation, Greater Bay Area Bankcorp and Zeum was currently pursuing additional foundation funding support. Ms. Wagner explained that her job was to establish and define products for Zeum,

identify strategies to produce the products, help define ideas and work on the nuts and bolts of Zeum's development and marketing programs. Ms. Novatney responded to President Walker's question about Zeum's reliance on the Agency's financial support and stated that the current year was a critical year for Zeum's sustainability and that the requested amendment to Zeum's Operating Agreement for \$200,000 would cover the accumulated deficit spending for the current year, which was between \$100,000 and \$150,000. Zeum would be completing its budget in March and hoped to maintain solvency through other contributor revenue and would continue to work on the long-term financial sustainability of Zeum. Ms. Novatney expressed her appreciation for the Agency's generous support for the \$200,000 (Operating Agreement) in addition to the \$500,000 annual Agency commitment.

Commissioner Romero lent his support for both resolutions and observed that the board members, Ms. Wagner and Ms. Novatney have all substantially invested in the future of Zeum and were working under very difficult economic situations and encouraged Zeum to look into streamlining their budget as they move forward.

Commissioner King commended Zeum for doing a wonderful job and expressed that the Children's Center at Yerba Buena Center was the only facility of its kind that catered to children's needs in the City. Mr. King stated that this was the Agency's project and had committed to fund Zeum for as long it needed the financial support because this was the only Children's Center in the whole City and it was the Agency's responsibility to make sure that it succeeded and the funding commitment was available to ensure its success.

ADOPTION: IT WAS MOVED BY MR. SINGH, SECONDED BY MR. DUNLOP, THAT ITEM 4 (e) RESOLUTION NO. 11-2002, AUTHORIZING A SECOND AMENDMENT TO THE PERSONAL SERVICES CONTRACT WITH SHERRY KAFKA WAGNER FOR IMPLEMENTATION OVERSIGHT OF THE ACTION PLAN FOR ZEUM INCREASING THE TOTAL AMOUNT OF COMPENSATION BY \$50,000 FOR A TOTAL AGGREGATE AMOUNT NOT TO EXCEED \$165,000; YERBA BUENA CENTER REDEVELOPMENT PROJECT AREA, BE ADOPTED AND ON ROLL CALL, THE FOLLOWING VOTED "AYE":

Mr. Dunlop
Mr. King
Ms. Palamountain
Mr. Romero
Mr. Singh
Mr. Yee

Ms. Walker

AND THE FOLLOWING VOTED “NAY”:

AND THE FOLLOWING WERE ABSENT.

THE SECRETARY DECLARED THE RESULTS OF THE ROLL CALL VOTE, SEVEN (7) AYES.

THE PRESIDENT THEREUPON DECLARED THAT THE MOTION CARRIED.

ADOPTION: IT WAS MOVED BY MR. YEE, SECONDED BY MR. SINGH, AND UNANIMOUSLY CARRIED THAT ITEM 4 (f) RESOLUTION NO. 12-2002, AUTHORIZING A SIXTH AMENDMENT TO THE OPERATING AGREEMENT WITH ZEUM, A CALIFORNIA NON-PROFIT PUBLIC BENEFIT CORPORATION FOR ASSISTANCE IN THE IMPLEMENTATION OF ZEUM’S SUSTAINABILITY PLAN AND INCREASING THE FISCAL YEAR 2001-2002 ANNUAL CONTRIBUTION BY \$200,000 FOR A TOTAL AGGREGATE AMOUNT NOT TO EXCEED \$863,000; YERBA BUENA CENTER REDEVELOPMENT PROJECT AREA, BE ADOPTED.

Items 4 (g) and (h) were presented together and acted upon separately.

- 4 (g)** Resolution No. 13-2002, Authorizing a Second Amendment to the Agreement for Disposition of Land for private development with San Francisco Ballet Association, a California nonprofit public benefit corporation, for the Renovation and Expansion of the property located at 455 Franklin Street; Western Addition Redevelopment Project Area A-2
- 4 (h)** Resolution No. 14-2002, Conditionally Approving the Schematic Design for the Renovation and Expansion of the property located at 455 Franklin Street; Western Addition Redevelopment Project Area A-2

Presenters: Ricky Tijani, Elena Branick (Agency staff), Stanford Hughes (Architect)

Speakers: Charles McNeal, Arthur Jacobus, Mary Helen Rogers, Essie Collins, Carmen Johnson

Commissioner King put forth a motion to adopt item 4 (g) and shared that his kids went to the John Swett Elementary School where they learned ballet. Mr. King lent his support for the Ballet expansion.

Commissioner Dunlop seconded the motion to adopt item 4 (g) and thanked the community for attending the meeting and commended Charles McNeal for his good work with the community. Mr. Dunlop asked how many people attended the community forum and what the Jardinière restaurant thought of the proposed expansion since it was a neighbor to the Ballet. Mr. Dunlop also asked about the community outreach that was done.

Mr. Ricky Tijani informed the Commission that twelve people attended the community forum meeting and that staff sent out notices and invitations to nearby residents and businesses. Staff assumed that the Jardinière restaurant was in support of the expansion since they did not hear from them and Jason Blackwell, Facilities Manager of the Ballet confirmed.

Commissioner Palamountain thanked the Architect for bringing drawings of the schematic design and requested staff to provide copies of design drawings in the Commissioners' packets for future projects. Ms. Palamountain inquired about the offsite parking space for the Ballet and if the parcel was one of the Central Freeway parcels.

Ms. Elena Branick informed the Commission that the parking lot was not a Central Freeway parcel and that the parking lot would remain to serve the Ballet.

President Walker complimented staff for a tremendous job, particularly with their proactive role and outreach efforts especially to children.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. DUNLOP, AND UNANIMOUSLY CARRIED THAT ITEM 4 (g) RESOLUTION NO. 13-2002, AUTHORIZING A SECOND AMENDMENT TO THE AGREEMENT FOR DISPOSITION OF LAND FOR PRIVATE DEVELOPMENT WITH SAN FRANCISCO BALLET ASSOCIATION, A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION, FOR THE RENOVATION AND EXPANSION OF THE PROPERTY LOCATED AT 455 FRANKLIN STREET; WESTERN ADDITION REDEVELOPMENT PROJECT AREA A-2

ADOPTION: IT WAS MOVED BY MR. DUNLOP, SECONDED BY MR. SINGH, AND UNANIMOUSLY CARRIED THAT ITEM 4 (h) RESOLUTION NO. 14-2002, CONDITIONALLY APPROVING THE SCHEMATIC DESIGN FOR THE RENOVATION AND EXPANSION OF THE PROPERTY LOCATED AT 455 FRANKLIN STREET;

WESTERN ADDITION REDEVELOPMENT PROJECT AREA A-2, BE
ADOPTED.

- 4 (i) Resolution No. 15-2002, Authorizing the Execution of a Purchase and Sale Agreement with William A Wicklow and Gerda G. Wicklow, as Trustees of the William A Wicklow and Gerda G. Wicklow Family Trust and with Fred F. Von Rautenkranz and Herta C. Von Rautenkranz, Trustees of the Fred and Herta Von Rautenkranz Living Trust, for the Acquisition of the property located at 101-115 Sixth Street and associated costs in a total aggregate amount not to exceed \$1,575,000; as part of the Agency's Citywide Affordable Housing Program; South of Market Earthquake Recovery Redevelopment Project Area

Presenters: Vanessa Dandridge (Agency staff)

Commissioner Dunlop put forth a motion to adopt item 4 (i) and recognized staff's hard work on the overall improvement of the Sixth Street corridor and that the project was an important piece of the Agency's efforts to revitalize one of the most depressed areas in the City. Mr. Dunlop inquired about the Project Area Committee's (PAC) support of the project and its concerns. Mr. Dunlop also asked for the number of units anticipated for the project.

Mr. William Carney informed the Commission that the PAC narrowly voted for the project and expressed concern with the long-term holding period for the long-term lease of the property. Ms. Vanessa Dandridge stated that staff had looked at a range of 30 to 70 units and explained that the higher number of units would necessitate a major variance from the City.

Commissioner Yee inquired about the 30-day notice for the first right of refusal and commented that this was not a standard notice period and that he had seen in other agreements of up to one-year notice to the tenants.

Ms. Dandridge explained that the lease and option agreement stipulated a 30-day notice for the first right of refusal and staff simply carried that over for the proposed acquisition of the property.

Commissioner Palamountain inquired about the expiration of the lease with the pawnshop owner and if when the demolition of the building would take place.

Ms. Dandridge informed the Commission that the lease expires in December 2007 with an option to renew for five years, and if exercised would extend the lease to 2012. The demolition of the building would be deemed as the

start of the physical development that would commence at the end of the lease term.

Commission Singh asked if the option to renew the lease had a set price or was it open to negotiations.

Ms. Dandridge stated that the option was open to negotiations and there was no set price for the option to renew.

Commissioner Yee commented that the option period was wide open and suggested that staff consider buying out the owner to keep the price stable.

Mr. Olson Lee suggested that discussion about property negotiations was more appropriate for a closed session meeting.

Commissioner Yee recommended not acting on the project until the Commission had an opportunity to have a closed session discussion and staff should not rush into the matter. Mr. Yee expressed that he would not support the item without having the closed session meeting first. Mr. Yee remarked that the tenant would have the opportunity to make money on the Agency and the property should be purchased immediately.

President Walker asked the General Counsel if the Commission could conduct a closed session meeting without prior public notice

General Counsel Bertha A. Ontiveros stated that the Commission could conduct a closed session meeting without public notice only under emergency situations and that this case did not apply.

Commissioner Dunlop recognized that the project involved a very complex purchase, but that staff was fully aware of all the issues and urged the Commission to move forward with the project.

Commissioner Yee advised that the Agency should not enter into a contract without having all the facts.

General Counsel Ontiveros pointed out that there was a due diligence period of 60 days to address the concerns raised before beginning the negotiations to purchase the property.

Commissioner Yee suggested that the Commission hold a special meeting the next day to discuss the item.

Commissioner Romero suggested that staff would note the concerns raised by the Commissioners and have the opportunity to address them during the

due diligence period. Mr. Romero stated that having a special meeting the next day presented a scheduling conflict for him.

Commissioner Palamountain stated that she was comfortable with moving forward at that time and pointed out that the Agency was at a preliminary step in the acquisition process.

Commissioner King recalled the Federal Building acquisition where the owner came back and asked for more money and expressed concern that this may take place for this project and that he would vote against the item.

Commissioner Singh indicated that there was still some time before the expiration date of February 8th and agreed with Commissioner Yee's suggested to hold a closed session meeting.

Commissioner King noticed that the February 5th meeting had been cancelled and suggested having a meeting on that day to have the closed session meeting.

ADOPTION: IT WAS MOVED BY MR. DUNLOP, SECONDED BY MS. PALAMOUNTAIN, THAT ITEM 4 (i) RESOLUTION NO. 15-2002, AUTHORIZING THE EXECUTION OF A PURCHASE AND SALE AGREEMENT WITH WILLIAM A WICKLOW AND GERDA G. WICKLOW, AS TRUSTEES OF THE WILLIAM A WICKLOW AND GERDA G. WICKLOW FAMILY TRUST AND WITH FRED F. VON RAUTENKRANZ AND HERTA C. VON RAUTENKRANZ, TRUSTEES OF THE FRED AND HERTA VON RAUTENKRANZ LIVING TRUST, FOR THE ACQUISITION OF THE PROPERTY LOCATED AT 101-115 SIXTH STREET AND ASSOCIATED COSTS IN A TOTAL AGGREGATE AMOUNT NOT TO EXCEED \$1,575,000; AS PART OF THE AGENCY'S CITYWIDE AFFORDABLE HOUSING PROGRAM; SOUTH OF MARKET EARTHQUAKE RECOVERY REDEVELOPMENT PROJECT AREA, BE ADOPTED AND ON ROLL CALL THE FOLLOWING VOTED "AYE":

Mr. Dunlop
Ms. Palamountain
Mr. Romero
Ms. Walker

AND THE FOLLOWING VOTED "NAY":

Mr. King
Mr. Singh
Mr. Yee

AND THE FOLLOWING WERE ABSENT.

THE SECRETARY DECLARED THE RESULTS OF THE ROLL CALL VOTE, FOUR (4) AYES AND THREE (3) NAYS.

THE PRESIDENT THEREUPON DECLARED THAT THE MOTION CARRIED.

5. **MATTERS NOT APPEARING ON AGENDA** - None.

6. **PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY RELATED MATTERS** - None.

7. **REPORT OF THE PRESIDENT**

- Attended the Chamber of Commerce Luncheon along with other Commissioners (January 29, 2002)
- Informed the Commission and the public that the February 5th meeting had been cancelled and this was part of the effort to make the meetings more efficient and a more balanced Agenda.
- Informed the Commission and the public to provide their questions or concerns about the Agency's projects and programs to either the Commission Secretary or the Executive Director so that staff could be prepared to address them in the upcoming meetings.

8. **REPORT OF THE EXECUTIVE DIRECTOR**

- Informed the public that the Commission will be conducting workshops on the Agency's proposed budget for fiscal year 2002/2003 at the February 12th and 19th Commission meetings, with consideration for approval at the February 26th meeting. The Agenda and supporting documents as well as the proposed budget would be posted on the Agency's web site and copies of the proposed budget would be available to the public at the Agency offices.

9. **COMMISSIONERS QUESTIONS AND MATTERS**

- Commissioner Yee shared that he had just returned from a 10-day vacation but was shocked to see the Plaza Hotel/TODCO matter back on the February 12th Agenda for reconsideration. Mr. Yee recalled that the matter was voted down and only members from the prevailing side can make the motion to bring the matter back for reconsideration.

- President Walker recalled the same question being asked at the previous meeting and asked the Commission Secretary to read from his meeting notes the question raised by Commissioner Singh.
- Commission Secretary Erwin R. Tanjuaquio read from his January 22nd meeting notes and paraphrased Commissioner Singh's question, could a matter that was defeated previously be brought back and is it not true that only the Commissioners voting for the matter could bring the matter back for reconsideration. Mr. Tanjuaquio recalled that General Counsel Bertha Ontiveros responded and referred to Rule #37, on page 304 of the Robert's Rules of Order which stated that a motion to reconsider a previously defeated motion could only be made during the same meeting and must be made by one of the members on the prevailing side.
- General Counsel Bertha A. Ontiveros affirmed and referred to Rule #38 dealing with the renewal of a motion at a subsequent meeting on a previously rejected matter and ruled that the motion that was made to place the Plaza Hotel matter on the Agenda was proper and consistent with Robert's Rules of Order.
- Commissioner Romero agreed with General Counsel had the same recollection of the rules.
- Commissioner King disagreed with the ruling and stated that he would consult with the Attorney General's office because Rule #38 did not apply. Mr. King stated his opposition to the motion and expected that the meeting of February 12th would be a heated meeting and that he would mobilize people to attend the meeting.
- President Walker understood that it was the Chair's prerogative under Robert's Rules of Order to bring an item back and she exercised that prerogative to place the matter on the Agenda. General Counsel Ontiveros affirmed.
- Commissioner Dunlop cited the example of former Assemblyman, now Mayor Brown bringing back the Gay/Lesbian Equal Rights legislation following repeated rejection by the State Legislature at every legislative session until it was finally passed.
- Commissioner Yee stated that this was not the proper way to handle the TODCO matter and the Commission had the responsibility to follow good policies that were fair to everyone. Mr. Yee shared that he called Peter Keane for his advice and that staff's interpretation was wrong.

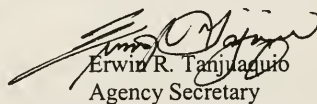
10. CLOSED SESSION

- (a) Pursuant to Government Code § 54956.9(b): Conference with Legal Counsel regarding anticipated litigation: one potential case
- (b) Pursuant to Government Code § 54957.6 to instruct the Agency's designated representatives to negotiate with San Francisco Redevelopment Employee Association (two bargaining units - Management Unit and Professional/Technical Unit). Agency negotiators: Marcia Rosen, Ayisha Benham and Ora Meacham.

11. ADJOURNMENT

It was moved by Mr. King, seconded by Mr. Dunlop, and unanimously carried that the meeting be adjourned. The meeting adjourned at 8:15 p.m.

Respectfully submitted,



Erwin R. Tanjulaquio
Agency Secretary

APPROVED:

February 26, 2002

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
12TH DAY OF FEBRUARY 2002

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at the Board of Supervisors Chambers, City Hall, 1 Dr. Carlton B. Goodlett Place, Room 250, in the City of San Francisco, California, at 4:00p.m. on the 12th day of February 2002, at the place and date duly established for holding of such a meeting.

President Chantel L. Walker called the meeting to order at 4:00 p.m. President Walker welcomed members of the public and asked that cell phones and pagers be turned off during the meeting.

1. Recognition of a Quorum

The Commission Secretary announced the presence of a quorum with the following Commissioners present.

Chantel L. Walker, President
Kathryn C. Palamountain, Vice President
Mark Dunlop
Leroy King
Ramon E. Romero
Darshan Singh
Benny Y. Yee (arrived at 4:15 p.m.)

DOCUMENTS DEPT.

SEP 14 2007

And the following were absent:

SAN FRANCISCO
PUBLIC LIBRARY

Marcia Rosen, Executive Director, and staff members were also present.

- 2. Report on actions taken at previous Closed Session meeting, if any.** None.
- 3. Matters of Unfinished Business:** None.
- 4. Matters Of New Business**

CONSENT AGENDA

- 4 (a)** Approval of Minutes: Meeting of January 8, 2002

ADOPTION: IT WAS MOVED BY MS. PALAMOUNTAIN, SECONDED BY MR. DUNLOP, AND UNANIMOUSLY CARRIED (MR. YEE ABSENT) THAT CONSENT AGENDA ITEM 4 (a) APPROVAL OF MINUTES: MEETING OF JANUARY 8, 2002, BE ADOPTED.

REGULAR AGENDA

4 (b) Workshop on the Agency's Proposed Fiscal Year 2002/2003 Budget

Presenters: Marcia Rosen/Mario Menchini/Olson Lee/William Carney/Shirley Wysinger (Agency staff)

Speakers: Roger Gordon, Frank Cirelli, Shelley Tito, Gody Tito Ralph Kazanjian, Brian Sheehy, Angel Cruz, Agonafer Shiferaw

Commissioner King stated that he received the Agenda packet late Friday and did not have enough time to review all of the documents.

Commissioner Dunlop thanked staff for their presentation and echoed Commissioner King's comments about having adequate time to review the budget material. Mr. Dunlop asked about the program budget reductions, Mr. Shiferaw's concerns about the Fillmore district economic revitalization, a breakdown of last year's budget compared with the proposed 2002/2003 budget, projected HOPWA funding allocations from the Federal government, update on debate about HOPWA money being transferred to the Department of Public Health, and any budget allocated specifically for direct development of affordable housing by the Agency.

Executive Director Rosen explained that the Agency's annual budget request did not identify prior budget year funding for the Agency's various programs and that staff was preparing a report on prior year appropriations as well as privately financed projects for which the Agency was instrumental in bringing to fruition. Ms. Rosen stated that a report on the Agency's economic development strategies would be prepared that would address Mr. Shiferaw's questions about the Fillmore district revitalization effort. Staff would also provide a funding update on the HOPWA program for the Commission's information and pointed out that the Federal government had a different fiscal year cycle than the City and information about the HOPWA program funding would be provided to the Commission when it became available. Ms. Rosen stated that the Agency's proposed budget for 2002/2003 did not include a line item for direct development of affordable housing and the Commission would make that decision. Ms. Rosen added that the Agency had dedicated 53% of tax increment funds allocated to affordable housing development, which was a remarkable achievement and dedication of resources.

Commissioner Palamountain was also interested about the future of HOPWA funding and requested the information be provided to the Commission prior to approving the Agency's budget. Ms. Palamountain raised the following questions and concerns: (1) was there a specific line item for SRO rehabilitation in South of Market, (2) community supportive services plan by the SOMA foundation, (3) funding for community centers, in addition to the Bayanihan Center, (4) comprehensive economic development for all project areas, (5) budget allocation for the Bindlestiff Studio within the Plaza Hotel, and (6) plans for transitioning from Agency supported services such as maintenance work in anticipation of the termination of the Western Addition A-2 Redevelopment Plan in the coming years.

Mr. Olson Lee informed the Commission that \$1 million had been identified for the SRO rehabilitation program, and pointed out that this was in addition to the Agency's preservation program where the Agency would acquire the property.

Mr. William Carney informed the Commission that the SOMA Foundation had a development plan called "Six on Sixth" that proposed a business revitalization program involving six businesses along Sixth Street that could apply for Tax Increment loans and business development assistance from the Agency. This included proposed commercial establishments on the ground floors of the Delta Hotel, Dudley Hotel, Alder Hotel and the Plaza Hotel. Mr. Carney stated that West Bay had began a feasibility study for a teen center in South of Market and the existing South of Market Health Clinic had proposed the development of a new and expanded clinic and were in the process of identifying a suitable site. There was also an earlier proposal for an Indian-American Cultural Center but have been informed that they would not need Agency assistance. Mr. Carney informed the Commission that there was no specific line item for Bindlestiff Studio, but there was \$300,000 in the proposed budget to assist community centers.

Ms. Shirley Wysinger informed the Commission the Agency had a plan for maintaining the Fillmore Streetscape Project scheduled to be completed in 2002, and that the Agency was assisting the community in establishing a Business District for Fillmore street businesses that would sustain their activities including maintenance work without Agency assistance. Ms. Wysinger added that the development of Parcel 732-A was a critical component of the economic revitalization of Fillmore Street and the broader Western Addition community.

Commissioner Palamountain thanked staff for its hard work and looked forward to upcoming budget presentations.

Commissioner Yee wished everyone “Gong Hay Fat Choy” and best wishes for the Chinese New Year. Mr. Yee shared that he chaired a luncheon for Governor Davis on February 11th and that Mayor Brown was also in attendance. Mr. Yee was encouraged to hear that the Agency had dedicated 53% of Tax Increment dollars for the development of affordable housing and recalled that Senator John Burton’s SB2113 that was signed into law by the Governor had appropriated \$200 million to the Agency for the development of affordable housing through 2014 and asked if these funds had been added to the Agency’s budget. Mr. Yee also pointed out a typographical error on page 64, item 8 of the budget.

Executive Director Rosen wished the Commission and the public a Happy Chinese New Year and recognized that it was also Lincoln’s birthday as well as Black History Month. Ms. Rosen explained that SB 2113 was a bill that authorized amendments to older redevelopment plans to extend the ability to generate and expend tax increment funds for the purpose of developing affordable housing. The bill would be effective in the year 2004 and would extend to 2014 and the bill was not a grant from the State but authorized as enabling legislation so that the Agency could have the expanded authority to utilize tax increment revenue for affordable housing development. Ms. Rosen thanked the Commission for its careful reading and review of the budget and staff would be refining the budget as it comes before the Commission for approval.

President Walker suggested providing the number of housing units to be developed in the upcoming fiscal year including the types of housing and for which population. Ms. Walker also requested that the goals for 2003 include the funding that would be dedicated to each specific goal.

Executive Director Rosen informed the Commission that the requested information would be provided to the Commission and that a flow chart was being prepared that would show graphically the Agency’s activities as well as anticipated Commission actions for the next 15-month period.

- 4 (c)** Resolution No. 16-2002, Endorsing the Museum Concept, Architectural Programming and Project Feasibility Evaluation of the African American Museum located at the St. Regis Museum Tower Development on Parcel EB-2A at the corner of Third and Mission Streets; Yerba Buena Center Redevelopment Project Area

Presenters: William Carney (Agency staff), Phil Freelon (Freelon Group Architects), Gail Lord (Lord Cultural Resources)

Speakers: Alma Robinson, Al Williams, Claudia Polley, Raye Richardson

Commissioner Dunlop put forth a motion to adopt item 4 (c) and expressed his excitement about the project. Commissioner Singh seconded the motion.

ADOPTION: IT WAS MOVED BY MR. DUNLOP, SECONDED BY MR. SINGH, AND UNANIMOUSLY CARRIED THAT ITEM 4 (c) RESOLUTION NO. 16-2002, ENDORSING THE MUSEUM CONCEPT, ARCHITECTURAL PROGRAMMING AND PROJECT FEASIBILITY EVALUATION OF THE AFRICAN AMERICAN MUSEUM LOCATED AT THE ST. REGIS MUSEUM TOWER DEVELOPMENT ON PARCEL EB-2A AT THE CORNER OF THIRD AND MISSION STREETS; YERBA BUENA CENTER REDEVELOPMENT PROJECT AREA, BE ADOPTED.

- 4 (d)** Resolution No. 17-2002, Authorizing Execution of Personal Services Contracts with a Panel of Engineering Teams for Multi-Discipline Engineering Services on an as-needed basis for a period of three years in a total aggregate amount not to exceed \$450,000; all Redevelopment Project/Survey Areas and other designated development sites

Executive Director Rosen advised the Commission that staff had withdrawn item 4 (d) from the Agenda to provide additional time to review the matter and would schedule the item at a future Commission meeting.

Commissioner Yee stated that he read the informational memorandum regarding withdrawal of item 4 (d), but was concerned that there was no formal action by the Commission to withdraw the item.

General Counsel Bertha A. Ontiveros advised the Commission that pursuant to the Agency's by-laws, items could be added or removed from the Agenda at Agenda setting by the President and Vice President.

Commissioner King stated that when the item was called and the Executive Director advised the Commission that the item was being withdrawn, there was no objection from the Commission.

Commissioner Yee responded that he agreed with the withdrawal of the item, but was raising a procedural question, that such withdrawal required a vote of the Commission.

Commissioner Dunlop asked if the withdrawal of the item violated the Brown Act. Commissioner Yee expressed the same concern.

Commissioner Singh had the same question as Commissioner Dunlop, and that he understood that items could be added or removed during Agenda setting, but not after the Agenda is published and the public notified.

General Counsel Ontiveros explained that the Brown Act required notice of the Agenda items, but not Commission action on the items.

President Walker stated that the Commission was in compliance with the Brown Act.

Commissioner Romero reminded the Commission that this was not the first time items had been withdrawn from the Agenda, but suggested that members of the public who came to speak on the matter be allowed to address the Commission. Commissioner King agreed with the suggestion.

Commissioner Yee expressed his disagreement with the General Counsel's explanation of the procedures and requested another opinion from the City Attorney's office.

Commission Secretary Erwin R. Tanjuaquio called for public speakers on item 4 (d). Hearing none, Mr. Tanjuaquio called the next item on the Agenda.

- 4 (e)** Resolution No. 18-2002, Authorizing a Personal Services Contract with KTB Management Group, Inc., a for profit California corporation, and SOMA Partnership, a non-profit public benefit corporation, in an amount not to exceed \$128,758 to Provide Steam Cleaning, Power Washing, Litter and Graffiti Control Services for the Sixth Street Corridor, South of Market Earthquake Recovery Redevelopment Project Area

Presenters: William Carney (Agency staff)

Speakers: John McGann, Antoinetta Stadlman

Commissioner Romero put forth a motion to adopt item 4 (e).

Commissioner Singh seconded the motion. Mr. Singh asked for the area covered under the cleaning contract.

Mr. William Carney informed the Commission that the full range of cleaning services encompassed Sixth Street from Natoma to Clementina Streets and covered 23,726 square feet of area. The steam-cleaning portion of the contract was from Market to Clementina Streets (on Sixth Street) and covered 62,751 square feet of area.

Commissioner Dunlop asked if the Agency was assisting Safe on Sixth (SOS) to obtain private funding. Mr. Dunlop encouraged staff to assist SOS as it was a local South of Market group that employed people from the community.

Mr. Carney stated that staff had not had discussions with SOS but that staff would contact SOS to help in identifying other funding sources.

President Walker inquired about a group called SOMA Steam Clean and asked if this group had evolved into the SOMA Partnership.

Mr. Carney responded that he was not certain and informed the Commission that the Agency had contracted previously with a group called Sunrise Cleaning that was sponsored by the San Francisco Boys and Girls Club, and that they had submitted a proposal for the contract but was deemed uncompetitive.

ADOPTION: IT WAS MOVED BY MR. ROMERO, SECONDED BY MR. SINGH, AND UNANIMOUSLY CARRIED THAT ITEM 4 (e) RESOLUTION NO. 18-2002, AUTHORIZING A PERSONAL SERVICES CONTRACT WITH KTB MANAGEMENT GROUP, INC., A FOR PROFIT CALIFORNIA CORPORATION, AND SOMA PARTNERSHIP, A NON-PROFIT PUBLIC BENEFIT CORPORATION, IN AN AMOUNT NOT TO EXCEED \$128,758 TO PROVIDE STEAM CLEANING, POWER WASHING, LITTER AND GRAFFITI CONTROL SERVICES FOR THE SIXTH STREET CORRIDOR, SOUTH OF MARKET EARTHQUAKE RECOVERY REDEVELOPMENT PROJECT AREA, BE ADOPTED.

Items 4 (f) and (g) were presented together and acted upon separately.

- 4 (f)** Resolution No. 19-2002, Authorizing a Personal Services Contract with Potelco, Inc., D/B/A Kingston Constructors, Inc., a Washington corporation, in an amount not to exceed \$187,600, to Provide “Talking Signs” in Yerba Buena Gardens (Parcels CB-2 & CB-3); Yerba Buena Center Redevelopment Project Area
- 4 (g)** Resolution No. 20-2002, Authorizing the Execution of a Construction Contract with Alten Construction Co. Inc., a California corporation, in an amount not to exceed \$266,069, for Exterior Project and Facility Identification Signs at the Children’s Center Complex at Yerba Buena Gardens on Central Block Three (Parcel CB-3); Yerba Buena Center Redevelopment Project Area

Presenters: Ted Maniatis (Agency staff)

Speakers: Walter Park (Mayor’s Office on Disability)

Commissioner Palamountain put forth a motion to adopted Item 4 (f) and thanked the Mayor’s Office on Disability for its commitment to people with disabilities. Commissioner Yee seconded the motion.

ADOPTION: IT WAS MOVED BY MS. PALAMOUNTAIN, SECONDED BY MR. YEE, AND UNANIMOUSLY CARRIED THAT ITEM 4 (f) , RESOLUTION NO. 19-2002, AUTHORIZING A PERSONAL SERVICES CONTRACT WITH POTELCO, INC., D/B/A KINGSTON CONSTRUCTORS, INC., A WASHINGTON CORPORATION, IN AN AMOUNT NOT TO EXCEED \$187,600, TO PROVIDE "TALKING SIGNS" IN YERBA BUENA GARDENS (PARCELS CB-2 & CB-3); YERBA BUENA CENTER REDEVELOPMENT PROJECT AREA, BE ADOPTED

ADOPTION: IT WAS MOVED BY MR. YEE, SECONDED BY MR. DUNLOP, AND UNANIMOUSLY CARRIED THAT ITEM 4 (g) RESOLUTION NO. 20-2002, AUTHORIZING THE EXECUTION OF A CONSTRUCTION CONTRACT WITH ALTEN CONSTRUCTION CO. INC., A CALIFORNIA CORPORATION, IN AN AMOUNT NOT TO EXCEED \$266,069, FOR EXTERIOR PROJECT AND FACILITY IDENTIFICATION SIGNS AT THE CHILDREN'S CENTER COMPLEX AT YERBA BUENA GARDENS ON CENTRAL BLOCK THREE (PARCEL CB-3); YERBA BUENA CENTER REDEVELOPMENT PROJECT AREA, BE ADOPTED.

Items 4 (h), (i) and (j) were presented together and acted upon separately.

- 4 (h)** Update regarding the Agency Criteria for Direct Development of Very Low-Income Rental Housing at the Plaza Hotel, 988-992 Howard Street; South of Market Earthquake Recovery Redevelopment Project Area
- 4 (i)** Resolution No. 21-2002, Directing the Executive Director to Commence Implementation of the Agency's Direct Development of the Plaza Hotel, 988-992 Howard Street; South of Market Earthquake Recovery Redevelopment Project Area
- 4 (j)** Resolution No. 22-2002, Authorizing Exclusive Negotiations with GP/TODCO-A, Inc., a California nonprofit public benefit corporation, for the disposition and development of property located 988-992 Howard Street; South of Market Earthquake Recovery Redevelopment Project Area

Executive Director Marcia Rosen gave the staff presentation and informed the Commission that staff was recommending approval of Item 4 (i) Resolution No. 21-2002 due to the Mayor's overriding public policy objective of building the Agency's capacity to directly develop affordable housing in order to augment the City's housing delivery system. Under the direct development resolution, the Agency would develop the maximum the number of affordable housing units in the Plaza Hotel and would provide a cultural space for the Bindlestiff Studio. Ms. Rosen informed the Commission that staff had no recommendation for Item 4 (j) Resolution No. 22-2002.

Speakers: Roger Gordon, Michael Marion, Stafford Parker, David Delgado, Jan Whearley, James L. Collins, Isa Bryant, Dan Begonia (letter read by Oliver Saria), Alan Manalo, Antoinetta Stadlman, Nancy Brunn, Olivia Malabuyo, Glades C. Paredes, Judith Baker, Dr. Theo Gonzalves, Lorna Chui, Lezlee Cox, Donna Rowles, Daniel Weil, Alicia Duke, John Elberling, Richard Marquez, Mitchell Yangson, Linda Kay Morgan, Werner Goff, Michael Baker, Yato Yoshida, Roy Recio, Mark Marking

**All of the above speakers spoke in support of TODCO
developing the Plaza hotel**

Commissioner Dunlop put forth a motion to adopt Item 4 (j) and thanked the Filipino-American community for their love and care that has made him more dedicated to the cause. Mr. Dunlop recalled staff's memorandum dated January 22nd that had supported exclusive negotiations with TODCO and had now reneged on that support and was now supporting direct development by the Agency. Mr. Dunlop rhetorically asked what had happened and referred to the Commission's criteria for direct development and recalled that Agency direct development had not passed the scrutiny of the seven criteria. Mr. Dunlop asked the Executive Director if staff had assessed a budget for direct development and if staff had identified other programmatic items to be cut that would result from undertaking direct development. Mr. Dunlop observed there was no mention of public membership on the contemplated non-profit development corporation board. Mr. Dunlop stated that it was the wrong time and project to undertake direct development and that such an endeavor should be well thought out. Mr. Dunlop expressed his most serious concerns with the staff changing its recommendation and the lack of public participation in the new direction. Mr. Dunlop commented that the outcome of the vote was already known and did not acquiesce to the Agency's direct development and that he would vote for TODCO. Mr. Dunlop urged the public to not give up even though the system had failed the citizens of San Francisco.

Executive Director Rosen informed the Commission that staff would bring a budget for direct development if the Commission authorized staff to proceed with direct development and as previously stated a development specialist would be assigned to facilitate direct development. Ms. Rosen stated that there had not been any programmatic cuts, as the Commission had not directed staff to do so.

Commissioner Yee concurred with Commissioner Dunlop's statements in thanking the public for coming to the meeting. Mr. Yee stated his support of the Mayor's policy on direct development and suggested building larger units in the Plaza Hotel to accommodate the Filipino-American community's need for two- and three-bedroom family units. Mr. Yee stated

that it was important to replace the existing 37 SRO units and to guarantee a ground level space for the Bindlestiff Studio and to begin tenant improvements for Bindlestiff as soon as possible.

Commissioner Palamountain shared that she was a marathon runner and used the analogy in making her decisions by using her head, heart and spirit. Ms. Palamountain expressed that her head told her that the Plaza Hotel was in need of physical improvements immediately, that Bindlestiff Studio needed to move forward and that she recognized the need for a full range of development including public development, but it was not the right time and the Plaza Hotel was not the right project to do direct development. The intent was to augment affordable housing production and development and not to supplant it. Her heart told her that she was not an elected official but was appointed as Commissioner by an elected official and that elected official had put out a directive to proceed with direct development. Her spirit told her that when she took the oath of office, the Mayor told her to represent the community and listen and vote with her conscience. Ms. Palamountain stated that for that reason, she seconded Commissioner Dunlop's motion to adopt the resolution to authorize exclusive negotiations with TODCO for the development of the Plaza Hotel.

Commissioner King put forth a motion to adopt Item 4 (i) and stated that Item 4 (j) had been voted down previously by the Commission and it was not proper for the defeated item to be back on the Commission's Agenda. Mr. King disagreed with General Counsel and the Chair's ruling of bringing back the TODCO matter. Mr. King reiterated his respect and support for the Filipino-American community and to give the Executive Director the opportunity to come back to the Commission with a proposal for direct development.

Commissioner Singh seconded Commissioner King's motion to adopt Item 4 (i) and recalled that in his six years as a Commissioner, he had always supported TODCO, including the Delta Hotel and the Clementina project. Mr. Singh expressed his support for Bindlestiff Studio and assured that no matter who developed the Plaza Hotel, there will be a space for the theater.

Commissioner Romero stated his support for Commissioner Dunlop's motion to adopt item 4 (j) and shared his frustration about the Commission not following staff's recommendation on the Plaza Hotel last October (2001) and now there was a directive from the Mayor to proceed with direct development and a significant change in policy for affordable housing development. Mr. Romero felt committed to vote for TODCO because he did not agree that direct development was appropriate for the Plaza Hotel. Mr. Romero stated that he was supportive of the administration's policy on affordable housing development and would await the staff's proposal on direct development.

Commissioner Yee stated that the TODCO item was illegally placed on the Agenda and that the General Counsel's ruling was incorrect.

President Walker recognized the need to improve the building conditions in the Plaza Hotel in order to ensure public safety. Ms. Walker stated that she was supporting the Director's recommendation to commence with direct development based upon staff's evaluation that would allow the Agency to be at the forefront of augmenting the City's delivery and development of affordable housing. Ms. Walker stated that as recommended by staff, there was an overriding public interest to move forward with direct development by the Agency. Ms. Walker looked forward to partnerships with other affordable housing developers and acknowledged TODCO's good work.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. SINGH, THAT ITEM 4 (i) RESOLUTION NO. 21-2002, DIRECTING THE EXECUTIVE DIRECTOR TO COMMENCE IMPLEMENTATION OF THE AGENCY'S DIRECT DEVELOPMENT OF THE PLAZA HOTEL, 988-992 HOWARD STREET; SOUTH OF MARKET EARTHQUAKE RECOVERY REDEVELOPMENT PROJECT AREA, BE ADOPTED AND ON ROLL CALL, THE FOLLOWING VOTED "AYE":

Mr. King
Mr. Singh
Mr. Yee
Ms. Walker

AND THE FOLLOWING VOTED "NAY":

Mr. Dunlop
Ms. Palamountain
Mr. Romero

AND THE FOLLOWING WERE ABSENT.

THE SECRETARY DECLARED THE RESULTS OF THE ROLL CALL VOTE, FOUR (4) AYES, THREE (3) NAYS.

THE PRESIDENT THEREUPON DECLARED THAT THE MOTION CARRIED.

ADOPTION: IT WAS MOVED BY MR. DUNLOP, SECONDED BY MS. PALAMOUNTAIN, THAT ITEM 4 (j) RESOLUTION NO. 22-2002, AUTHORIZING EXCLUSIVE NEGOTIATIONS WITH GP/TODCO-A, INC., A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION, FOR THE DISPOSITION AND DEVELOPMENT OF PROPERTY LOCATED 988-992 HOWARD STREET; SOUTH OF MARKET EARTHQUAKE RECOVERY REDEVELOPMENT PROJECT AREA, BE ADOPTED AND ON ROLL CALL, THE FOLLOWING VOTED "AYE":

Mr. Dunlop
Ms. Palamountain
Mr. Romero

AND THE FOLLOWING VOTED "NAY":

Mr. King
Mr. Singh
Mr. Yee

AND THE FOLLOWING ABSTAINED:

Ms. Walker

AND THE FOLLOWING WERE ABSENT.

THE SECRETARY DECLARED THE RESULTS OF THE ROLL CALL VOTE, THREE (3) AYES, THREE (3) NAYS, AND ONE (1) ABSTENTION.

THE PRESIDENT THEREUPON DECLARED THAT THE MOTION FAILED.

5. **MATTERS NOT APPEARING ON AGENDA** - None.
6. **PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY RELATED MATTERS** - None.

7. REPORT OF THE PRESIDENT

President Walker recognized the convergence of many events that week including the beginning of the Chinese New Year, Mardi Gras in New Orleans, the beginning of the Lenten Season, and Black History month. Ms. Walker advised the Commission to keep its focus on the most important work of the Agency in developing affordable housing and continue to limit Commissioner's comments on the substance of the issues and to not publicly criticize Agency staff. Ms. Walker stated that the Commission would continue to work with the Executive Director on all of the Agency's work and policies and if there were concerns with staff's performance or capacity, those should be discussed in private with the Executive Director.

8. REPORT OF THE EXECUTIVE DIRECTOR

- Community meeting on February 20th regarding two private developments; (1) the Good Fortune and Wisdom to be developed as a Tibetan Buddhist Complex, and (2) development of the former Podiatric College as a Jewish Community High School.
- 13th Annual Black History Luncheon on February 28th with home cooking by staff.
- Recognized Sylvester McGuire, Contract Compliance Specialist for his Black History Month exhibit of photographs, facts and history that had been displayed in the Agency offices. Ms. Rosen encouraged the Commission and the public to visit the office and view the wonderful exhibits.

9. COMMISSIONERS QUESTIONS AND MATTERS

- Commissioner Romero complimented President Walker for managing a difficult meeting and suggested that the public be given a little more latitude in their comments and to have the public have their say so long as there were no threats or anything outrageous.
- Commissioner Dunlop echoed Commissioner Romero's compliments on President Walker's deft handling of the meeting.
- Commissioner Yee commended President Walker for an outstanding job in handling the meeting. Mr. Yee opined that the Chair had the prerogative to set the time limit for public testimony. Mr. Yee asked staff to prepare responses with regard to property negotiations for the Henry and Mina Lee Hotels, which are scheduled for Closed Session on February 19th.

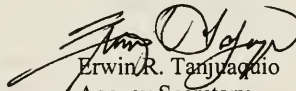
- Commissioner King thanked President Walker for doing a good job in facilitating the meeting. Mr. King announced the Jazz Festival to be held on Sunday February 17th at 2:00 p.m. in the West Bay Conference Center.
- President Walker requested an update on the tenant improvements for the Plaza Hotel, in particular the residences and commercial space.

10. **CLOSED SESSION** None.

11. **ADJOURNMENT**

It was moved by Mr. King, seconded by Mr. Singh, and unanimously carried that the meeting be adjourned. The meeting adjourned at 9:32 p.m.

Respectfully submitted,



Erwin R. Tanjuaudio
Agency Secretary

APPROVED:

March 12, 2002

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
19TH DAY OF FEBRUARY 2002

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at City Hall, 1 Dr. Carlton B. Goodlett Place, Room 416, in the City of San Francisco, California, at 4:00p.m. on the 19th day of February 2002, at the place and date duly established for holding of such a meeting.

President Chantel L. Walker called the meeting to order at 4:20 p.m. President Walker welcomed members of the public and asked that cell phones and pagers be turned off during the meeting.

1. Recognition of a Quorum

The Commission Secretary announced the presence of a quorum with the following Commissioners present.

Chantel L. Walker, President
Kathryn C. Palamountain, Vice President
Mark Dunlop
Leroy King (arrived at 4:15 p.m.)
Ramon E. Romero
Darshan Singh
Benny Y. Yee (arrived at 4:10 p.m.)

DOCUMENTS DEPT.

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And the following were absent:

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Marcia Rosen, Executive Director, and staff members were also present.

The Commission met in a Regular Meeting as the Housing Committee of the Affordable Housing and Home Ownership Bond Program before commencing the Regular Agency Meeting Agenda. The Housing Committee meeting was called to order at 4:00 p.m. and adjourned at 4:15 p.m.

- 2. Report on actions taken at previous Closed Session meeting, if any. None.**
- 3. Matters of Unfinished Business: None.**
- 4. Matters Of New Business**

CONSENT AGENDA

- 4 (a) Approval of Minutes: Meeting of January 22, 2002
- 4 (b) Resolution No. 23-2002, Authorizing Helen Sause, Deputy Executive Director, Program and Project Management to travel to Washington D.C., March 16-20, 2002, expenses not to exceed \$1850.00, to attend the Annual 2002 NAHRO Legislative Conference

ADOPTION: IT WAS MOVED BY MR. ROMERO, SECONDED BY MS. PALAMOUNTAIN, AND UNANIMOUSLY CARRIED THAT CONSENT AGENDA ITEMS 4 (a) APPROVAL OF MINUTES: MEETING OF JANUARY 22, 2002, AND 4 (b) RESOLUTION NO. 23-2002, AUTHORIZING HELEN SAUSE, DEPUTY EXECUTIVE DIRECTOR, PROGRAM AND PROJECT MANAGEMENT TO TRAVEL TO WASHINGTON D.C., MARCH 16-20, 2002, EXPENSES NOT TO EXCEED \$1850.00, TO ATTEND THE ANNUAL 2002 NAHRO LEGISLATIVE CONFERENCE BE ADOPTED.

REGULAR AGENDA

- 4 (c) Second Workshop on the Agency's Proposed fiscal year 2002/2003 Budget

Presenters: Mario Menchini, Amy Neches, Don Capobres, Stan Muraoka,
Lisa King, David Habert (Agency staff)

Speakers: Linda Richardson

Commissioner Yee asked about the \$1 million increase in personnel costs from last year's budget and inquired about the status of the Federal Office Building project, and referred to a chart that stated a 95% completion.

Executive Director Rosen stated that the increase in personnel costs was attributable to the projected salary increases from the labor agreements that were authorized by the Commission. Mr. Mario Menchini informed the Commission that the 95% completion of the Federal Office Building project was referring to the Agency's portion of the work in facilitating the development of the property by the GSA including transferring the property to the Federal government.

Commissioner Dunlop inquired about the Agency's Affordable Housing Preservation Program and noticed that the program had a 50% cut for the upcoming fiscal year and asked why there was only one project identified

for preservation. Mr. Dunlop requested staff to provide a budget for direct development including the number of employees, hours and hard costs.

Executive Director Rosen stated that since the Preservation Program was started over four years ago, it had been very successful in preserving over 1500 units of at risk developments and the program was beginning to wind down and staff had estimated only one project that was at risk of conversion to market rate. Mr. Rosen added that the Agency had invested over \$44 million in the program and looked to continued support from the Commission, the Board of Supervisors and the Mayor's Office to pursue at risk developments as they are identified. Ms. Rosen informed the Commission that a budget for direct development would be prepared for the Commission's review.

Commissioner Palamountain expressed concerns about budget allocations for economic revitalization particularly in the Bayview Hunters Point area where only \$50,000 had been budgeted for the upcoming fiscal year and asked staff to provide more details for the line item. Ms. Palamountain asked if language translation costs for Mid-Market had been included in the 2002/2003 budget.

Executive Director Rosen explained that the economic development plans were evolving particularly for survey areas such as the Bayview primarily because survey areas would not be generating tax increment revenues until they become project areas. The Agency was setting the stage for future economic development activities in anticipation of the survey areas becoming project areas and continued to work with the community as well as other City departments to target resources for such activities. Staff would be preparing responses to Commissioners' questions including economic revitalization strategies for the various areas. Ms. Lisa King informed the Commission that the Mid-Market newsletter was already being published in multiple languages including Tagalog, Russian and Spanish and that funds had been budgeted to continue the translation work.

President Walker asked staff to provide additional information on the economic development plans for the project and survey areas, the potential impacts from dwindling developer funds from the slow-down of work due to the economic downturn for all project areas, information on costs for the Agency's open space program, and more information on the level of community input in the Agency's work in particular for survey areas.

Executive Director Rosen stated that responses would be provided to the Commission in the coming week.

- 4 (d) Resolution No. 24-2002, Authorizing Personal Services Contracts with a Panel of Environmental Consulting Firms in an amount not to exceed \$50,000 for Environmental Review Services for a period of three years from March 1, 2002 to February 28, 2005 on an as-needed basis under the Housing Opportunities for Persons With AIDS Program

Presenters: Jennifer Oberly (Agency staff)

Commissioner Dunlop thanked Ms. Oberly for an excellent presentation and asked what the need was for the environmental contracts given that HOPWA capital funds had almost been expended. Mr. Dunlop asked if there were any more updates on HOPWA funding from the Federal government.

Ms. Oberly stated that there were still a number of HOPWA projects that had been authorized by the Commission for which NEPA clearances were yet to be done. There was no update on HOPWA funding from the Federal government.

ADOPTION: IT WAS MOVED BY MR. DUNLOP, SECONDED BY MS. PALAMOUNTAIN, AND UNANIMOUSLY CARRIED THAT ITEM 4 (d) RESOLUTION NO. 24-2002, AUTHORIZING PERSONAL SERVICES CONTRACTS WITH A PANEL OF ENVIRONMENTAL CONSULTING FIRMS IN AN AMOUNT NOT TO EXCEED \$50,000 FOR ENVIRONMENTAL REVIEW SERVICES FOR A PERIOD OF THREE YEARS FROM MARCH 1, 2002 TO FEBRUARY 28, 2005 ON AN AS-NEEDED BASIS UNDER THE HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS PROGRAM, BE ADOPTED.

Items 4 (e) (f) (g) and (h) were presented together and acted upon separately

- 4 (e) Resolution No. 25-2002, Authorizing a Partial Assignment and Assumption of the Purchase and Sale Agreement from Mercy Housing California, a California non-profit public benefit corporation, for the Agency's Purchase of land at 1301-1327 Polk Street in an amount not to exceed \$1,820,000, including related closing costs, for the Acquisition and Rehabilitation of 72 units of Very Low Income Senior Housing at the Leland Hotel; Agency Citywide Tax Increment Affordable Housing Program
- 4 (f) Resolution No. 26-2002, Public Hearing regarding Authorizing a Ground Lease with Mercy Housing California XVIII, L.P., a California limited partnership, for the land at 1301-1327 Polk Street, in furtherance of the Acquisition and Rehabilitation of 72 units of Very Low Income Senior Rental Housing at the Leland Hotel; Agency Citywide Tax Increment Affordable Housing Program

- 4 (g) Resolution No. 27-2002, Authorizing a Standby Payment Agreement with Mercy Housing California XVIII, L.P., a California limited partnership, and with the Leland Hotel Permanent Lender, in an amount not to exceed \$6,000,000, plus applicable interest and other associated costs, to guarantee the payment of certain mortgage revenue bonds in furtherance of the Acquisition and Rehabilitation of 72 units of Very Low Income Senior Housing at the Leland Hotel, 1301-1327 Polk Street; Agency Citywide Tax Increment Affordable Housing Program
- 4 (h) Resolution No. 28-2002, Expressing the Intent of the Redevelopment Agency of the City and County of San Francisco to Issue Multifamily Mortgage Revenue Bonds, or Notes in one or more series, in an amount not to exceed \$11,000,000 to Finance the Rehabilitation of 72 Units of Very Low Income Senior Housing at the Leland Hotel located at 1301-1327 Polk Street; Agency Citywide Tax Increment Affordable Housing Program

Presenters: Kate Hartley (Agency staff)

Commissioner Dunlop expressed that it was great to see the high level of community outreach and community support for the project and thanked staff for its good work. Mr. Dunlop asked if there was a community room or space planned for the Leland Hotel.

Ms. Jennifer Dolin of Mercy Housing responded that there was a plan for a community space in the ground floor of the Leland Hotel.

Commissioner King complimented Mercy Housing for doing an excellent job and asked how community outreach was done when the Agency purchased property.

Executive Director Rosen explained that the Leland Hotel was not under Agency control and Mercy Housing responded to a Notice of Funding Availability (NOFA) issued by the Mayor's Office of Housing and negotiated with the property owner for the purchase of the property. The Agency made available the financing mechanism to help with the development through a ground lease and the issuance of the multifamily mortgage revenue bonds.

Commissioner Palamountain thanked Mercy Housing for their continued good work and commitment to providing excellent supportive housing services in the City.

Commissioner Singh asked how the Agency was paying for a property in which Mercy Housing had site control and that he did not understand how someone could have site control and not have the money to purchase the property.

Executive Director Rosen explained that Mercy Housing had an option to purchase the property after negotiating with the property owner and then applied for public funds from the Mayor's Office and the Redevelopment Agency. This was the standard method for financing acquisition and development of affordable housing throughout the country. Ms. Kate Hartley added that Mercy Housing had a deposit of \$280,000 for the purchase of the property.

President Walker requested an informational memorandum on how the Non-Profit Housing Association funds affordable housing acquisition, rehabilitation and development.

Commissioner Yee shared Commissioner Singh's concern with how the deal for the Leland Hotel was put together and asked if the Commission could see the deposit receipt and when the purchase contract was executed with the property owner. Mr. Yee felt that the Commission was being rushed into making a decision when some Commissioners had important questions and concerns. Mr. Yee remarked that the Leland Hotel was an excellent project and felt that documents requested should be provided to the Commission.

Executive Director Rosen explained that the Mayor's Office of Housing had the lead on the project and it was staff's due diligence that ensured there adequate site control and a feasible financial plan was in place. The Proposition A Loan Committee had evaluated the loan and detailed the project acquisition process. The Agency's role was limited to utilizing the financial structure to enhance the affordability of the project, which was evaluated and recommended by the Loan Committee. Ms. Rosen urged the Commission to move forward with the approval of the items as they were time sensitive in order to take advantage of the opportunity to preserve the affordable units for needy seniors.

ADOPTION: IT WAS MOVED BY MR. ROMERO, SECONDED BY MR. DUNLOP, THAT ITEM 4 (e) RESOLUTION NO. 25-2002, AUTHORIZING A PARTIAL ASSIGNMENT AND ASSUMPTION OF THE PURCHASE AND SALE AGREEMENT FROM MERCY HOUSING CALIFORNIA, A CALIFORNIA NON-PROFIT PUBLIC BENEFIT CORPORATION, FOR THE AGENCY'S PURCHASE OF LAND AT 1301-1327 POLK STREET IN AN AMOUNT NOT TO EXCEED \$1,820,000, INCLUDING RELATED CLOSING COSTS, FOR THE ACQUISITION AND REHABILITATION OF 72 UNITS OF VERY LOW INCOME SENIOR HOUSING AT THE LELAND HOTEL; AGENCY CITYWIDE TAX INCREMENT AFFORDABLE HOUSING PROGRAM, BE ADOPTED AND ON ROLL CALL THE FOLLOWING VOTED "AYE":

Mr. Dunlop
Mr. King
Ms. Palamountain
Mr. Romero
Mr. Singh
Ms. Walker

AND THE FOLLOWING VOTED “NAY”:

AND THE FOLLOWING ABSTAINED.

Mr. Yee

THE SECRETARY DECLARED THE RESULTS OF THE ROLL CALL VOTE, SIX (6) AYES, ONE (1) ABSTENTION.

THE PRESIDENT THEREUPON DECLARED THAT THE MOTION CARRIED.

ADOPTION: IT WAS MOVED BY MR. ROMERO, SECONDED BY MR. DUNLOP, THAT ITEM 4 (f) RESOLUTION NO. 26-2002, PUBLIC HEARING REGARDING AUTHORIZING A GROUND LEASE WITH MERCY HOUSING CALIFORNIA XVIII, L.P., A CALIFORNIA LIMITED PARTNERSHIP, FOR THE LAND AT 1301-1327 POLK STREET, IN FURTHERANCE OF THE ACQUISITION AND REHABILITATION OF 72 UNITS OF VERY LOW INCOME SENIOR RENTAL HOUSING AT THE LELAND HOTEL; AGENCY CITYWIDE TAX INCREMENT AFFORDABLE HOUSING PROGRAM, BE ADOPTED AND ON ROLL CALL THE FOLLOWING VOTED “AYE”:

Mr. Dunlop
Mr. King
Ms. Palamountain
Mr. Romero
Mr. Singh
Ms. Walker

AND THE FOLLOWING VOTED “NAY”:

AND THE FOLLOWING ABSTAINED.

Mr. Yee

THE SECRETARY DECLARED THE RESULTS OF THE ROLL CALL VOTE, SIX (6) AYES, ONE (1) ABSTENTION.

THE PRESIDENT THEREUPON DECLARED THAT THE MOTION CARRIED.

ADOPTION: IT WAS MOVED BY MS. PALAMOUNTIAN, SECONDED BY MR. ROMERO, THAT ITEM 4 (g) RESOLUTION NO. 27-2002, AUTHORIZING A STANDBY PAYMENT AGREEMENT WITH MERCY HOUSING CALIFORNIA XVIII, L.P., A CALIFORNIA LIMITED PARTNERSHIP, AND WITH THE LELAND HOTEL PERMANENT LENDER, IN AN AMOUNT NOT TO EXCEED \$6,000,000, PLUS APPLICABLE INTEREST AND OTHER ASSOCIATED COSTS, TO GUARANTEE THE PAYMENT OF CERTAIN MORTGAGE REVENUE BONDS IN FURTHERANCE OF THE ACQUISITION AND REHABILITATION OF 72 UNITS OF VERY LOW INCOME SENIOR HOUSING AT THE LELAND HOTEL, 1301-1327 POLK STREET; AGENCY CITYWIDE TAX INCREMENT AFFORDABLE HOUSING PROGRAM, BE ADOPTED AND ON ROLL CALL THE FOLLOWING VOTED "AYE":

Mr. Dunlop
Mr. King
Ms. Palamountain
Mr. Romero
Mr. Singh
Ms. Walker

AND THE FOLLOWING VOTED "NAY":

AND THE FOLLOWING ABSTAINED.

Mr. Yee

THE SECRETARY DECLARED THE RESULTS OF THE ROLL CALL VOTE, SIX (6) AYES, ONE (1) ABSTENTION.

THE PRESIDENT THEREUPON DECLARED THAT THE MOTION CARRIED.

ADOPTION: IT WAS MOVED BY MR. DUNLOP, SECONDED BY MR. ROMERO, THAT ITEM 4 (h) RESOLUTION NO. 28-2002, EXPRESSING THE INTENT OF THE REDEVELOPMENT AGENCY OF THE CITY AND COUNTY OF SAN FRANCISCO TO ISSUE MULTIFAMILY MORTGAGE REVENUE BONDS, OR NOTES IN ONE OR MORE SERIES, IN AN AMOUNT NOT TO EXCEED \$11,000,000 TO FINANCE THE REHABILITATION OF 72 UNITS OF VERY LOW INCOME SENIOR HOUSING AT THE LELAND HOTEL LOCATED AT 1301-1327 POLK STREET; AGENCY CITYWIDE TAX INCREMENT AFFORDABLE HOUSING PROGRAM, BE ADOPTED AND ON ROLL CALL THE FOLLOWING VOTED "AYE":

Mr. Dunlop
Mr. King
Ms. Palamountain
Mr. Romero
Mr. Singh
Ms. Walker

AND THE FOLLOWING VOTED “NAY”:

AND THE FOLLOWING ABSTAINED.

Mr. Yee

THE SECRETARY DECLARED THE RESULTS OF THE ROLL CALL VOTE, SIX (6) AYES, ONE (1) ABSTENTION.

THE PRESIDENT THEREUPON DECLARED THAT THE MOTION CARRIED.

- 4 (i) Resolution No. 29-2002, Expressing the Intent of the Redevelopment Agency of the City and County of San Francisco to Issue Multifamily Mortgage Revenue Bonds in one or more series in an amount not to exceed \$13,300,000 to Finance the Rehabilitation of residential facilities known as the Derek Silva Community Residence, 1580-98 Market Street; Agency Citywide Affordable Housing Program

Presenters: Elizabeth Colomello (Agency staff)

Commissioner Singh asked how much funding was provided to Mercy Housing in the prior year.

President Walker asked that the numbers of affordable units produced associated with the funding also be provided.

Executive Director Rosen and Mr. Olson Lee responded the an informational memorandum would be prepared for the Commission.

Commissioner Dunlop stated that this was an important project that provided badly needed housing and services for people with HIV/AIDS and urged the Commission to approve the project.

Commissioner Romero was proud to support the project and recognized the importance of providing sorely needed housing for people afflicted with HIV/AIDS.

Commissioner Singh asked for the per unit cost, square footage of the units, and the square footage costs.

Ms. Elizabeth Colomello informed the Commission that the Agency's commitment for the project was \$2.3 million and the per unit cost was \$37,704 with development costs at \$245,818. The unit sizes ranged from 400 to 700 square feet among studios, one-bedrooms and a few two-bedroom units. The cost per square feet would be provided to the Commission.

President Walker requested for the average cost of developing affordable housing in San Francisco.

ADOPTION: IT WAS MOVED BY MR. DUNLOP, SECONDED BY MR. ROMERO, AND UNANIMOUSLY CARRIED THAT ITEM 4 (i) RESOLUTION NO. 29-2002, EXPRESSING THE INTENT OF THE REDEVELOPMENT AGENCY OF THE CITY AND COUNTY OF SAN FRANCISCO TO ISSUE MULTIFAMILY MORTGAGE REVENUE BONDS IN ONE OR MORE SERIES IN AN AMOUNT NOT TO EXCEED \$13,300,000 TO FINANCE THE REHABILITATION OF RESIDENTIAL FACILITIES KNOWN AS THE DEREK SILVA COMMUNITY RESIDENCE, 1580-98 MARKET STREET; AGENCY CITYWIDE AFFORDABLE HOUSING PROGRAM, BE ADOPTED.

- 4 (j) Resolution No. 30-2002, Authorizing a Third Amended and First Restated San Francisco Redevelopment Agency Mission Bay Affordable Housing Program Loan Agreement with Mission Bay Affordable Housing Limited Partnership, a California limited partnership, to increase the loan amount by an additional \$100,000 to fund costs related to the Child Care Center for a total amount not to exceed \$6,317,661 to fund additional costs related to Child Care Center construction in conjunction with the development of 100 rental units for Very Low-Income Households on Parcel 2 of Block N2; Mission Bay North Redevelopment Project Area

Presenters: Matthew Schwartz (Agency staff)

Commissioner Palamountain lent her support for the item and shared that a recent survey indicated that low-income households spent 39% of their income on childcare and recognized the importance of providing affordable and quality childcare not only in Mission Bay but citywide. Ms. Palamountain expressed her appreciation for the Childcare Facilities grant and thanked Mr. Matthew Schwartz and Ms. Erin Carson for their hard work. Ms. Palamountain commended the Agency Commission for its leadership in providing childcare and recalled that the city of San Jose and its Redevelopment Agency recently announced a major childcare capital program to address their childcare needs in San Jose.

Commissioner Singh asked if the \$100,000 was a loan or a grant and what the term of the loan was. Mr. Singh also asked if the Agency received installment payments and what the interest rate was.

Mr. Matthew Schwartz stated that the \$100,000 was being added to the original loan of \$6.3 million to fund the cost of the childcare center and the loan had a 50-year term to be repaid from residual receipts. Mr. Schwartz stated that the Agency would receive annual audited financial statements that would make payments to such item as the Agency's ground lease and any remaining balance would be used to pay down the Mission Bay loan and the HOPWA loan. There was a three percent simple interest rate on the loan.

President Walker commented that it was wonderful to see childcare as part of the housing development and looked forward to creative ways of facilitating childcare development within the Agency's projects.

ADOPTION: IT WAS MOVED BY MS. PALAMOUNTAIN, SECONDED BY MR. SINGH, AND UNANIMOUSLY CARRIED THAT ITEM 4 (j) RESOLUTION NO. 30-2002, AUTHORIZING A THIRD AMENDED AND FIRST RESTATED SAN FRANCISCO REDEVELOPMENT AGENCY MISSION BAY AFFORDABLE HOUSING PROGRAM LOAN AGREEMENT WITH MISSION BAY AFFORDABLE HOUSING LIMITED PARTNERSHIP, A CALIFORNIA LIMITED PARTNERSHIP, TO INCREASE THE LOAN AMOUNT BY AN ADDITIONAL \$100,000 TO FUND COSTS RELATED TO THE CHILD CARE CENTER FOR A TOTAL AMOUNT NOT TO EXCEED \$6,317,661 TO FUND ADDITIONAL COSTS RELATED TO CHILD CARE CENTER CONSTRUCTION IN CONJUNCTION WITH THE DEVELOPMENT OF 100 RENTAL UNITS FOR VERY LOW-INCOME HOUSEHOLDS ON PARCEL 2 OF BLOCK N2; MISSION BAY NORTH REDEVELOPMENT PROJECT AREA, BE ADOPTED.

- 4 (k) Resolution No. 31-2002, Amending Resolution No. 186-2001 to Establish Classifications of Positions and Compensation for certain Agency staff

Presenters: Ora Meacham (Agency staff)

Speakers: Matthew Schwartz (SFREA)

ADOPTION: IT WAS MOVED BY MR. SINGH, SECONDED BY MR. ROMERO, AND UNANIMOUSLY CARRIED THAT ITEM 4 (k) RESOLUTION NO. 31-2002, AMENDING RESOLUTION NO. 186-2001 TO ESTABLISH CLASSIFICATIONS OF POSITIONS AND COMPENSATION FOR CERTAIN AGENCY STAFF, BE ADOPTED.

4 (I) Workshop to Provide Update on the Navy's Environmental Remediation Efforts; Hunters Point Shipyard Redevelopment Project Area

Presenters: Don Capobres (Agency staff), Jesse Blout (MOED)

Commissioner Dunlop requested clarification that parcel E would be characterized before conveyance to the City and if Parcel A would be conveyed prior to characterization of Parcel E. Mr. Dunlop was under the impression that the community had understood that Parcel E would be characterized before any of the parcels were conveyed. Mr. Dunlop asked if there were more public hearings scheduled prior to conveyance.

Mr. Jesse Blout informed the Commission that upon approval of the Agreement with the Navy, Parcel A would be conveyed and the agreement called for a specific plan to characterize Parcel E and the raw data for the plan was scheduled to be completed this Summer. Mr. Blout stated that there were public hearings regularly scheduled to inform the community of the remediation work being done by the Navy.

Commissioner Palamountain requested an update on the toxic plume discovered on Parcel B and noted that could be provided at the scheduled March 12th workshop. Ms. Palamountain asked for an update of the negotiations with the Navy in particular the benefits or advantages of early transfer of the parcels. Ms. Palamountain shared that she had attended a RAB meeting some months ago and wanted to know if there had been another RAB meeting since the Navy signed the Addendum to the MOA that had discussed Parcel E specifically. Ms. Palamountain also asked if the City was happy with the progress of the Navy's work and requested that a schedule of the community meetings be provided to the Commission. Ms. Palamountain asked for an explanation of the early transfer provisions in the agreement, specifically where it stated that the Navy would award the clean-up contract subject to annual appropriations by Congress and what the Federal government had specifically agreed to fund. Ms. Palamountain requested an assessment of the early transfer that took place in Mare Island.

Mr. Jesse Blout stated that early transfer of the parcels was a priority for the Navy in order to justify further military base closures scheduled for 2005, so it was to the Navy's benefit to complete the remediation work and to facilitate conveyance of the parcels. The City benefits from having a seat at the negotiating table and had the opportunity to inform the Navy of the City's and the community's issues relative to cleanup and future development of the Shipyard. Mr. Blout stated that the MOA was signed on January 23rd and a RAB meeting took place the next day, January 24th. Mr. Don Capobres added that characterization and clean-up of Parcel E was a real big issue for the community and that a RAB meeting was scheduled for February 28th to continue discussions on Parcel E. Mr. Blout believed that

good progress had been made with regard to negotiations with the Navy where members of the community had participated in the discussion of remediation particularly for Parcel E. Mr. Blout informed the Commission that language in the agreement stating "subject to annual appropriations" was standard Federal government language so as not to pre-obligate the Federal government with funding commitments. The Navy would award the contract with the assumption that Congress would appropriate the necessary funds. Mr. Blout did not have first-hand knowledge of the Mare Island conveyance, but opined that early transfer made sense under the right situations where there was sufficient knowledge of the issues and the status of the cleanup. Early transfer did not make sense if the issues were not clearly defined and strategies for addressing the issues were ill defined. Mr. Blout offered to have people who have worked on the Mare Island project participate at the next workshop.

5. **MATTERS NOT APPEARING ON AGENDA** - None.

6. **PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY RELATED MATTERS**

- James Martin (spoke re: BVHP Budget), Rev. Arnold Townsend, Richard Marquez, Carmen Johnson, Rev. Gregory Richardson, Bill Barnes (all spoke re: newspaper article on proposed Board of Supervisors take over of the Agency)

7. **REPORT OF THE PRESIDENT**

President Walker stated that the Agency was in a period of great passion and transition and appreciated the public's efforts to keep focused on the substance of the important issues before the Agency. Ms. Walker shared that she had received several telephone calls requesting that the Commission be held to the same standard as the public with regard to limiting comments to the substantive issues and not personal comments.

8. **REPORT OF THE EXECUTIVE DIRECTOR**

- Reported that Supervisor Daly made a motion at the February 19th Board of Supervisors meeting to hold a public hearing on March 4th to discuss possible takeover of the Agency by the Board of Supervisors. Noted that the Agency was not contacted about the matter and would provide information to the Commission as soon as staff obtains it.

- Board of Supervisors Housing, Transportation and Land Use Committee meeting on March 14th to have a discussion about the Agency's existing budget, policy priorities, and housing program.
- Scheduled community meetings:
 - February 20th, 7:00 to 9:00 p.m., 1770 Eddy Street regarding (1) the Good Fortune and Wisdom to be developed as a Tibetan Buddhist Complex, and (2) development of the former Podiatric College as a Jewish Community High School.
 - BVHP PAC Annual Meeting on February 28th at 6:00 p.m.
 - Executive Director to address the SPUR Board of Directors on February 20th at 6:00 p.m.
- Information memorandum regarding bid package for South Beach Harbor repairs.

9. COMMISSIONERS QUESTIONS AND MATTERS

- Commissioner Yee asked for the Commission and Executive Director's help in re-establishing the Agency's good name and to help with misguidance by the General Counsel's incorrect interpretations, in particular placing an item illegally on the Agenda. Mr. Yee asked if the Commission should hire someone from the Attorney General's office to guide the Commission with procedures. Mr. Yee opined that it was improper to withdraw an item on the Agenda without Commission approval. Mr. Yee asked to find a way to reduce conflicts with the General Counsel's interpretations and asked for the Executive Director's assistance.
- Commissioner King stated that any argument or disagreement among the Commissioners should not be reported to the press and be resolved between the Commission. Mr. King recalled an argument between him and Commissioner Dunlop the previous year that became escalated because the press got involved. Mr. King stated that he would talk to the community to resist the takeover from the Board of Supervisors and that each of the Commissioners should resist the takeover. Mr. King advised that no Agency staff should assist the Board of Supervisors without authority from the Commission.
- Commissioner Palamounain directed her comments to staff and encouraged them to believe in the important work they did and thanked them for their continued great work in moving the Agency's agenda forward, despite the distractions that faced the Agency.

- Commissioner Yee requested information relating to a closed session matter and was advised by the Chair that his questions and concerns would be discussed and addressed at the closed session meeting.
- Commissioner Dunlop echoed Commissioner Palamountain's compliments of staff and expressed his respect and honor for staff's excellent work. Mr. Dunlop shared that he had heard from some employees that Commissioners would call them after working hours, on weekends and while on vacation and requested that Commissioners only call staff during the normal working hours. Mr. Dunlop put forth a motion to have a Commission discussion at the next meeting about changing the Commission meeting start time from 4:00 to 5:00 p.m. to make the meetings more accessible to the public. Commissioner Palamountain seconded the motion.

MOTION: IT WAS MOVED BY MR. DUNLOP, SECONDED BY MS. PALAMOUNTAIN, TO PLACE ON THE FEBRUARY 26TH AGENDA, A WORKSHOP ON MAKING COMMISSION MEETINGS MORE ACCESSIBLE TO THE PUBLIC BY CONSIDERING CHANGING THE MEETING START TIME FROM 4:00 TO 5:00 P.M., AND ON ROLL CALL THE FOLLOWING VOTED "AYE":

Mr. Dunlop
Ms. Palamountain
Mr. Romero
Ms. Walker

AND THE FOLLOWING VOTED "NAY":

Mr. King
Mr. Singh
Mr. Yee

THE SECRETARY DECLARED THE RESULTS OF THE ROLL CALL VOTE, FOUR (4) AYES, THREE (3) NAYS.

THE PRESIDENT THEREUPON DECLARED THAT THE MOTION CARRIED.

- President Walker stated that her intent was to consolidate the Commission meetings to three a month to promote efficiency and maximize the productivity of Agency staff. Ms. Walker encouraged Commissioners to limit their comments so as to move the Agenda forward that would result in more balanced and shorter meetings.

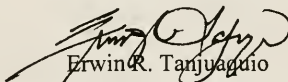
10. CLOSED SESSION.

- a) Pursuant to Government Code §54957.6 to instruct the Agency's designated representatives to negotiate with the International Federation of Professional and Technical Engineers Local 21 (IFPTE Local 21). Agency designated representatives: Marcia Rosen, Ayisha Benham, Ora Meacham and Chris Iglesias.
- (b) Pursuant to Government Code § 54957.6 to instruct the Agency's designated representatives to negotiate with San Francisco Redevelopment Employee Association (Professional/ Technical Unit). Agency negotiators: Marcia Rosen, Ayisha Benham and Ora Meacham.
- (c) Pursuant to Government Code § 54956.8 to instruct the Agency's real property negotiators with respect to price and term of payment for the following properties along the Sixth Street corridor, within the South of Market Earthquake Recovery Redevelopment Project Area. Agency negotiators: Olson Lee, Bill Carney, Sean Spear and Vanessa Dandridge.
 - (1) Henry Hotel located at 106-112 Sixth Street, Assessor Block No. 3726, Lot 002. Owners: Brandt Nicholson & Nick Patel
 - (2) Alder Hotel located at 169-183 Sixth Street, Assessor Block No 3725, Lot 026. Owner: Vijaykumar D. Patel

11. ADJOURNMENT

It was moved by Mr. Singh, seconded by Mr. Romero, and unanimously carried that the meeting be adjourned. The meeting adjourned at 9:25 p.m.

Respectfully submitted,


Erwin R. Tanjuagido
Agency Secretary

APPROVED:

March 12, 2002

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
26TH DAY OF FEBRUARY 2002

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at City Hall, 1 Dr. Carlton B. Goodlett Place, Room 416, in the City of San Francisco, California, at 4:00p.m. on the 26th day of February 2002, at the place and date duly established for holding of such a meeting.

President Chantel L. Walker called the meeting to order at 4:05 p.m. President Walker welcomed members of the public and asked that cell phones and pagers be turned off during the meeting.

1. Recognition of a Quorum

The Commission Secretary announced the presence of a quorum with the following Commissioners present.

Chantel L. Walker, President
Kathryn C. Palamountain, Vice President
Mark Dunlop
Leroy King
Ramon E. Romero
Darshan Singh

DOCUMENTS DEPT.

And the following were absent:

SEP 14 2007

Benny Y. Yee

SAN FRANCISCO
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Marcia Rosen, Executive Director, and staff members were also present.

2. **Report on actions taken at previous Closed Session meeting, if any.** None.
3. **Matters of Unfinished Business:** None.
4. **Matters Of New Business**

CONSENT AGENDA

- 4 (a) Approval of Minutes: Meeting of January 29, 2002

- 4 (b) Resolution No. 32-2002, Authorizing a Second Amendment to the Mortgage Loan Regulatory Agreement in connection with a revision of the Schedule of Performance for the Acquisition and Rehabilitation of 72 units of low income rental housing at Golden Gate Apartments, 1820 Post Street, as part of the Agency's Affordable Housing Preservation Program; Western Addition A-2 Redevelopment Project Area
- 4 (c) Resolution No. 33-2002, Authorizing a Second Amendment to the Personal Services Contract between the Agency, on behalf of Community Facilities District No. 1, and Robert W. Poyas, Inc., a California Corporation, to Extend the Contract term by two months and to Increase the contract amount by \$12,890 for a total aggregate amount not to exceed \$246,950; for landscape maintenance services; Rincon Point South Beach Redevelopment Project Area

Speakers: Susan Wong (spoke in support of item 4 (b))

ADOPTION: IT WAS MOVED BY MR. ROMERO, SECONDED BY MR. DUNLOP, AND UNANIMOUSLY CARRIED (MR. YEE ABSENT) THAT CONSENT AGENDA ITEMS 4 (a) APPROVAL OF MINUTES: MEETING OF JANUARY 29, 2002, 4 (b) RESOLUTION NO. 32-2002, AUTHORIZING A SECOND AMENDMENT TO THE MORTGAGE LOAN REGULATORY AGREEMENT IN CONNECTION WITH A REVISION OF THE SCHEDULE OF PERFORMANCE FOR THE ACQUISITION AND REHABILITATION OF 72 UNITS OF LOW INCOME RENTAL HOUSING AT GOLDEN GATE APARTMENTS, 1820 POST STREET, AS PART OF THE AGENCY'S AFFORDABLE HOUSING PRESERVATION PROGRAM; WESTERN ADDITION A-2 REDEVELOPMENT PROJECT AREA, AND 4 (c) RESOLUTION NO. 33-2002, AUTHORIZING A SECOND AMENDMENT TO THE PERSONAL SERVICES CONTRACT BETWEEN THE AGENCY, ON BEHALF OF COMMUNITY FACILITIES DISTRICT NO. 1, AND ROBERT W. POYAS, INC., A CALIFORNIA CORPORATION, TO EXTEND THE CONTRACT TERM BY TWO MONTHS AND TO INCREASE THE CONTRACT AMOUNT BY \$12,890 FOR A TOTAL AGGREGATE AMOUNT NOT TO EXCEED \$246,950; FOR LANDSCAPE MAINTENANCE SERVICES; RINCON POINT SOUTH BEACH REDEVELOPMENT PROJECT AREA, BE ADOPTED.

REGULAR AGENDA

- 4 (d) Resolution No. 34-2002, Adopting the Proposed Budget for the Period July 1, 2002 through June 30, 200 and Authorizing the Executive Director to Submit the Budget to the Mayor's Office

Presenters: Mario Menchini, (Agency staff)

Commissioner Dunlop put forth a motion to adopt item 4 (d) and complimented staff on a great job. Mr. Dunlop inquired about the cost of direct development and asked where the money would come from given the budget reductions. Mr. Dunlop referred to the informational memorandum that indicated that any shortfall in funding would be borne by the developer and asked who that would be reconciled when the Agency was the direct developer. Mr. Dunlop inquired about the tax increment revenue and bond financing relationship and asked for an historical perspective on the amount of the Agency's bond issuances through the years and expressed his concerns with Agency's bonding capacity.

Executive Director Rosen stated that funding for direct development would be evaluated on a project-by-project basis and would provide more detailed information on hard and soft costs in the direct development budget when the Commission considers the establishment of a non-profit development corporation for direct development at its March 19th meeting. Ms. Rosen stated that according to the Mayor's Budget Office, there had been an average annual tax increment bond issuance of \$32 million over the past 7-9 years, and that last year had been an historic high for Agency bond issuances dedicated to affordable housing. Mr. Mario Menchini assured the Commission that the Agency was managing the Agency's bonded indebtedness very carefully and was confident that the Agency's bonding capacity remained strong.

Commissioner Palamounain thanked staff for the informational memorandum on economic revitalization and expressed that the Agency must make sure that every neighborhood had a plan for economic development.

President Walker thanked staff for its hard work, especially for looking a specific ways of highlighting the many accomplishments of the Agency's programs and activities.

ADOPTION: IT WAS MOVED BY MR. DUNLOP, SECONDED BY MS. PALAMOUNTAIN, AND UNANIMOUSLY CARRIED (MR. YEE ABSENT) THAT ITEM 4 (d) RESOLUTION NO. 34-2002, ADOPTING THE PROPOSED BUDGET FOR THE PERIOD JULY 1, 2002 THROUGH JUNE 30, 200 AND AUTHORIZING THE EXECUTIVE DIRECTOR TO SUBMIT THE BUDGET TO THE MAYOR'S OFFICE, BE ADOPTED.

Items 4 (e) (f) and (g) were presented together and acted upon separately.

- 4 (e) Resolution No. 35-2002, Authorizing an Expenditure in an amount not to exceed \$1,305,000 to Repay California Federal Bank, a Federal Savings Bank, and to Pay Operating Deficits in conjunction with the Operation of 54 units of very low-income rental housing for the formerly homeless at the Jordan Apartments, located at 820 O'Farrell Street; Agency Citywide Tax Increment Affordable Housing Program
- 4 (f) Resolution No. 36-2002, Authorizing Exclusive Negotiations with Conard House, Inc., a California nonprofit public benefit corporation, for the Disposition, Ownership and Operation of 54 units of very low income housing for the formerly homeless and one manager's unit at the Jordan Apartments located at 820 O'Farrell Street; Agency Citywide Tax Increment Affordable Housing Program
- 4 (g) Resolution No. 37-2002, Authorizing a Predevelopment Grant Agreement with Conard House, Inc., a California nonprofit public benefit corporation, in an amount not to exceed \$75,000, in conjunction with the Acquisition and Rehabilitation of 54 units of very low income rental housing for the formerly homeless at the Jordan Apartments located at 820 O'Farrell Street; Agency Citywide Tax Increment Affordable Housing Program

Presenters: Michele Davis (Agency staff), Richard Heasley, Elyse Miller, Mickey Shipley (Conrad House)

Speakers: L.C. McGehee, Doug Nawlin, Barry Perkins, John Anderson, Derek Antone, Robert Smith

Commissioner Singh asked how many other projects had been developed by Conard House and how much was the Agency's funding commitment for the project, and if the units were the same size and had their own bathrooms and kitchens.

Ms. Michele Davis responded that Conard House had developed the El Dorado and Midori Hotels. The predevelopment work will determine future development costs and staff estimated between \$2 to \$2.5 million. The units were all studios and they all had their own bathrooms and kitchens.

Commissioner Dunlop thanked staff for the great work and asked if staff had looked at ADA accessibility issues.

Ms. Michele Davis informed the Commission that accessibility issues would be evaluated and that for the time being, there was an elevator in the building so residents had access to the units.

Commissioner Palamountain was encouraged to see the strong supportive housing component for the Jordan Apartments and thanked Conard House for responding to the RFP. Ms. Palamountain expressed concern with the accessibility issues in the building and commented that despite 820 O'Farrell's prior troubled history, she was glad to see that a plan had been identified to ensure financial solvency for the project.

President Walker acknowledged the complexity of the project and commended staff for doing a good job and looked forward to the completion of the project.

ADOPTION: IT WAS MOVED BY MR. SINGH, SECONDED BY MR. DUNLOP, AND UNANIMOUSLY CARRIED (MR. YEE ABSENT) THAT ITEM 4 (e) RESOLUTION NO. 35-2002, AUTHORIZING AN EXPENDITURE IN AN AMOUNT NOT TO EXCEED \$1,305,000 TO REPAY CALIFORNIA FEDERAL BANK, A FEDERAL SAVINGS BANK, AND TO PAY OPERATING DEFICITS IN CONJUNCTION WITH THE OPERATION OF 54 UNITS OF VERY LOW-INCOME RENTAL HOUSING FOR THE FORMERLY HOMELESS AT THE JORDAN APARTMENTS, LOCATED AT 820 O'FARRELL STREET; AGENCY CITYWIDE TAX INCREMENT AFFORDABLE HOUSING PROGRAM, BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. DUNLOP, SECONDED BY MR. ROMERO, AND UNANIMOUSLY CARRIED (MR. YEE ABSENT) THAT ITEM 4 (f) RESOLUTION NO. 36-2002, AUTHORIZING EXCLUSIVE NEGOTIATIONS WITH CONARD HOUSE, INC., A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION, FOR THE DISPOSITION, OWNERSHIP AND OPERATION OF 54 UNITS OF VERY LOW INCOME HOUSING FOR THE FORMERLY HOMELESS AND ONE MANAGER'S UNIT AT THE JORDAN APARTMENTS LOCATED AT 820 O'FARRELL STREET; AGENCY CITYWIDE TAX INCREMENT AFFORDABLE HOUSING PROGRAM, BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. SINGH, SECONDED BY MR. ROMERO, AND UNANIMOUSLY CARRIED (MR. YEE ABSENT) THAT ITEM 4 (g) RESOLUTION NO. 37-2002, AUTHORIZING A PREDEVELOPMENT GRANT AGREEMENT WITH CONARD HOUSE, INC., A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION, IN AN AMOUNT NOT TO EXCEED \$75,000, IN CONJUNCTION WITH THE ACQUISITION AND REHABILITATION OF 54 UNITS OF VERY LOW INCOME RENTAL HOUSING FOR THE FORMERLY HOMELESS AT THE JORDAN APARTMENTS LOCATED AT 820 O'FARRELL STREET; AGENCY CITYWIDE TAX INCREMENT AFFORDABLE HOUSING PROGRAM, BE ADOPTED.

- 4 (h) Resolution No. 38-2002, Authorizing an Agreement with the City and County of San Francisco, a Municipal corporation, concerning certain real property known as the Central Freeway Housing Parcels that provides for 1) Acquisition of the Parcels known as Parcels A and C for an amount not to exceed \$5,775,000, plus related closing costs of up to \$30,000; and 2) an Option to Acquire five additional parcels known as Parcels G/DOFI, K, O, Q, and U, for Disposition and Development as Affordable Housing; Citywide Tax Increment Housing Program

Presenters: Kate Hartley (Agency staff)

Speakers: Jim Mitulski, Robin Levitt, George R. Williams

Commissioner Dunlop thanked staff for its hard work and the Mayor for his vision to take advantage of the opportunity to develop affordable housing on the formerly freeway parcels. Mr. Dunlop was pleased with the community outreach process.

ADOPTION: IT WAS MOVED BY MR. DUNLOP, SECONDED BY MR. ROMERO, AND UNANIMOUSLY CARRIED (MR. YEE ABSENT) THAT ITEM 4 (h) RESOLUTION NO. 38-2002, AUTHORIZING AN AGREEMENT WITH THE CITY AND COUNTY OF SAN FRANCISCO, A MUNICIPAL CORPORATION, CONCERNING CERTAIN REAL PROPERTY KNOWN AS THE CENTRAL FREEWAY HOUSING PARCELS THAT PROVIDES FOR 1) ACQUISITION OF THE PARCELS KNOWN AS PARCELS A AND C FOR AN AMOUNT NOT TO EXCEED \$5,775,000, PLUS RELATED CLOSING COSTS OF UP TO \$30,000; AND 2) AN OPTION TO ACQUIRE FIVE ADDITIONAL PARCELS KNOWN AS PARCELS G/DOFI, K, O, Q, AND U, FOR DISPOSITION AND DEVELOPMENT AS AFFORDABLE HOUSING; CITYWIDE TAX INCREMENT HOUSING PROGRAM, BE ADOPTED.

- 4 (i) Workshop on making Commission Meetings more accessible to the public by considering changing the meeting start time from 4:00 p.m. to 5:00 p.m.

Commissioner Dunlop stated that the workshop was to assess the Commission's availability to the public as the purpose for the public meetings was to accommodate the public, and a 4:00 p.m. start time was difficult for some members of the working public and might have limited their attendance at the meetings. Mr. Dunlop shared a postcard he received suggesting not changing the meeting start time but to move the non-agenda public comment from the end of the Agenda to the front to give more access to the public.

Commissioner Romero believed that if something was not broken, it does not need to be fixed and expressed that a later start time would result in

longer and later meetings that might impact the public more by having to stay later. Agency staff publishes the Agenda every week and the interested public attends the meetings on projects that interest them. Mr. Romero suggested that the public should be allowed to have their say and to give the public the full three minutes to address the Commission to get the maximum public input.

Commissioner Singh stated his opposition to changing the start time and agreed with moving the non-agenda public comment up front in the Agenda.

Commissioner King opposed changing the start time and pointed out that other City departments meet at earlier times of the day including the Board of Supervisors, the Port Commission and the Public Utilities Commission and it was not necessary to change the start time. Mr. King agreed with moving the non-agenda public comment up front in the Agenda.

President Walker stated that if the Commission looked at the specific role of redevelopment compared to other City departments, the Agency worked with specific neighborhoods and communities and noted that the meetings held by the various PACs and CACs started in the early evenings at 6:00 and 6:30 p.m. Ms. Walker was not terribly compelled by the traditional start time, and had heard from members of the public that the 4:00 p.m. start time was inconvenient, particularly for people on hourly work schedules. Ms. Walker was surprised to see that there was no public comment on the workshop and stated that the Commission would not push forward with changing the start time at that time. Ms. Walker recognized the Agenda was mailed to persons that have had long relationships and interest with the Agency's programs and that she was unclear as to how the Agency was reaching others in the various communities that the Agency served, beyond the PAC and CAC members.

5. **MATTERS NOT APPEARING ON AGENDA** - None.
6. **PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY RELATED MATTERS** None.
7. **REPORT OF THE PRESIDENT**

President Walker acknowledged that the Commission had done a good job in making the meeting brief and that discussions went well and thanked the staff for its hard work on the budget. Ms. Walker suggested that it would be helpful to see a progress report in six months on the Agency's work program particularly with the Agency's workload schedule that have been provided to the Commission.

8. REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Rosen thanked the Commissioners for their questions on the budget and for the opportunity for staff to look at broader issues such as the Agency's accomplishments and future directions.

- Board of Supervisors matters:
 - February 25th meeting, Leland Hotel acquisition was approved.
 - Supervisor Daly's hearing about the Agency scheduled for March 18th
- 13th Annual Black History Luncheon on Thursday, February 28th at noon, First Union Baptist Church at Webster and Golden Gate Avenue

9. COMMISSIONERS QUESTIONS AND MATTERS None.


10. CLOSED SESSION.

- (a) Pursuant to Government Code § 54956.8, to instruct the Agency's real property negotiators with respect to the following property: Parcel EB-2A, located at the southeast corner of Third and Mission Streets in the Yerba Buena Center Redevelopment Project Area. Agency negotiators: Marcia Rosen, Helen Sause, William Carney, and Judy Eng.

11. ADJOURNMENT

It was moved by Mr. Dunlop, seconded by Mr. Singh, and unanimously carried that the meeting be adjourned. The meeting adjourned at 5:50 p.m.

Respectfully submitted,


Erwin R. Tapiaquilo
Agency Secretary

APPROVED:

March 12, 2002

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
12TH DAY OF MARCH 2002

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at City Hall, 1 Dr. Carlton B. Goodlett Place, Room 416, in the City of San Francisco, California, at 4:00p.m. on the 12th day of March 2002, at the place and date duly established for holding of such a meeting.

Acting President Kathryn C. Palamountain called the meeting to order at 4:00 p.m. Acting President Palamountain welcomed members of the public and asked that cell phones and pagers be turned off during the meeting.

1. Recognition of a Quorum

The Commission Secretary announced the presence of a quorum with the following Commissioners present.

Kathryn C. Palamountain, Vice President
Mark Dunlop
Leroy King (departed @ 6:30 p.m.)
Ramon E. Romero
Darshan Singh (arrived @ 4:10 p.m.)
Benny Y. Yee (arrived @ 4:10 p.m.)

DOCUMENTS DEPT.

And the following were absent:

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Chantel L. Walker, President

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Marcia Rosen, Executive Director, and staff members were also present.

- 2. Report on actions taken at previous Closed Session meeting, if any. None.**
- 3. Matters of Unfinished Business: None.**
- 4. Matters Of New Business**

CONSENT AGENDA

- 4 (a) Approval of Minutes: Meetings of February 12, 19, and 26, 2002**

- 4 (b) Resolution No. 39-2002, Authorizing a Second Amendment to the Owner Participation/Disposition and Development Agreement with LNR-Lennar Brannan Street, LLC, a California Limited Liability Company; to revise certain mortgage provisions and approving a significant change in developer for the Brannan Square Mixed Use Development, Site G, Assessors Block 3774, Lots 18 and 24; Rincon Point–South Beach Redevelopment Development Area
- 4 (c) Resolution No. 40-2002, Authorizing a First Amendment to the Antonia Manor Ground Lease with AM Preservation, L.P., a California limited partnership, to Revise the Schedule of Performance for the Rehabilitation of 133 units of Low and Very Low Income Rental Housing units at Antonia Manor, 180 Turk Street, as part of the Agency's Affordable Housing Preservation Program; Citywide Tax Increment Housing Program
- 4 (d) Resolution No. 41-2002, Authorizing the First Amendment to the CDBG Affordable Housing Program Loan Agreement with Tenderloin Neighborhood Development Corporation, a California non-profit public benefit corporation, to Approve assignment to AM Preservation L.P., a California limited partnership, as the borrower, and Revises the Schedule of Performance for the Rehabilitation of 133 units of Very Low Income Rental Housing units at the Antonia Manor, located at 180 Turk Street, as part of the Agency's Affordable Housing Preservation Program; Citywide Tax Increment Housing Program
- 4 (e) Resolution No. 42-2002, Authorizing a Fourth Amendment to the Personal Service Contract with Willie B. Kennedy, in the amount of \$25,700 for a total aggregate amount not to exceed \$418,960, and Extending the Time of Performance for three months for Community Outreach Services for the Hunters Point Shipyard Citizens Advisory Committee; Hunters Point Shipyard Redevelopment Project Area
- 4 (f) Resolution No. 43-2002, Authorizing a Fourth Amendment to the Personal Service Contract with Cassandra Tompkins, in the amount of \$14,000 for a total aggregate amount not to exceed \$227,365, and Extending the Time of Performance for three months for Administrative Services for the Hunters Point Shipyard Citizens Advisory Committee; Hunters Point Shipyard Redevelopment Project Area
- 4 (g) Resolution No. 44-2002, Authorizing a Fourth Amendment to the Personal Services Contract with the Agape Outreach Center, a California nonprofit public benefit corporation, to Extend the term of the contract to April 30, 2002; Citywide Tax Increment Housing Program

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. ROMERO, AND UNANIMOUSLY CARRIED (MR. SINGH, MR. YEE AND MS. WALKER ABSENT) THAT CONSENT AGENDA ITEMS 4 (a) APPROVAL OF MINUTES: MEETINGS OF FEBRUARY 12, 19, AND 26, 2002, 4 (b) RESOLUTION NO. 39-2002, AUTHORIZING A SECOND AMENDMENT TO THE OWNER PARTICIPATION/DISPOSITION AND DEVELOPMENT AGREEMENT WITH LNR-LENNAR BRANNAN STREET, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY; TO REVISE CERTAIN MORTGAGE PROVISIONS AND APPROVING A SIGNIFICANT CHANGE IN DEVELOPER FOR THE BRANNAN SQUARE MIXED USE DEVELOPMENT, SITE G, ASSESSORS BLOCK 3774, LOTS 18 AND 24; RINCON POINT-SOUTH BEACH REDEVELOPMENT DEVELOPMENT AREA, 4 (c) RESOLUTION NO. 40-2002, AUTHORIZING A FIRST AMENDMENT TO THE ANTONIA MANOR GROUND LEASE WITH AM PRESERVATION, L.P., A CALIFORNIA LIMITED PARTNERSHIP, TO REVISE THE SCHEDULE OF PERFORMANCE FOR THE REHABILITATION OF 133 UNITS OF LOW AND VERY LOW INCOME RENTAL HOUSING UNITS AT ANTONIA MANOR, 180 TURK STREET, AS PART OF THE AGENCY'S AFFORDABLE HOUSING PRESERVATION PROGRAM; CITYWIDE TAX INCREMENT HOUSING PROGRAM, 4 (d) RESOLUTION NO. 41-2002, AUTHORIZING THE FIRST AMENDMENT TO THE CDBG AFFORDABLE HOUSING PROGRAM LOAN AGREEMENT WITH TENDERLOIN NEIGHBORHOOD DEVELOPMENT CORPORATION, A CALIFORNIA NON-PROFIT PUBLIC BENEFIT CORPORATION, TO APPROVE ASSIGNMENT TO AM PRESERVATION L.P., A CALIFORNIA LIMITED PARTNERSHIP, AS THE BORROWER, AND REVISES THE SCHEDULE OF PERFORMANCE FOR THE REHABILITATION OF 133 UNITS OF VERY LOW INCOME RENTAL HOUSING UNITS AT THE ANTONIA MANOR, LOCATED AT 180 TURK STREET, AS PART OF THE AGENCY'S AFFORDABLE HOUSING PRESERVATION PROGRAM; CITYWIDE TAX INCREMENT HOUSING PROGRAM, 4 (e) RESOLUTION NO. 42-2002, AUTHORIZING A FOURTH AMENDMENT TO THE PERSONAL SERVICE CONTRACT WITH WILLIE B. KENNEDY, IN THE AMOUNT OF \$25,700 FOR A TOTAL AGGREGATE AMOUNT NOT TO EXCEED \$418,960, AND EXTENDING THE TIME OF PERFORMANCE FOR THREE MONTHS FOR COMMUNITY OUTREACH SERVICES FOR THE HUNTERS POINT SHIPYARD CITIZENS ADVISORY COMMITTEE; HUNTERS POINT SHIPYARD REDEVELOPMENT PROJECT AREA, 4 (f) RESOLUTION NO. 43-2002, AUTHORIZING A FOURTH AMENDMENT TO THE PERSONAL SERVICE CONTRACT WITH CASSANDRA TOMPKINS, IN THE AMOUNT OF \$14,000 FOR A TOTAL AGGREGATE AMOUNT NOT TO EXCEED \$227,365, AND EXTENDING THE TIME OF

PERFORMANCE FOR THREE MONTHS FOR ADMINISTRATIVE SERVICES FOR THE HUNTERS POINT SHIPYARD CITIZENS ADVISORY COMMITTEE; HUNTERS POINT SHIPYARD REDEVELOPMENT PROJECT AREA, 4 (g) RESOLUTION NO. 44-2002, AUTHORIZING A FOURTH AMENDMENT TO THE PERSONAL SERVICES CONTRACT WITH THE AGAPE OUTREACH CENTER, A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION, TO EXTEND THE TERM OF THE CONTRACT TO APRIL 30, 2002; CITYWIDE TAX INCREMENT HOUSING PROGRAM, BE ADOPTED.

REGULAR AGENDA

Items 4 (h), (i) and (j) were presented together and acted upon separately.

- 4 (h)** Resolution No. 45-2002, Authorizing a First Amendment to the Ground Lease with MM Preservation, L.P., a California limited partnership, to Amend the Schedule of Performance for Rehabilitation of 119 units of Very Low Income Rental Housing at Maria Manor, 174 Ellis Street, as part of the Agency's Affordable Housing Preservation Program; Citywide Tax Increment Housing Program
- 4 (i)** Resolution No. 46-2002, Authorizing a First Amendment to the Tax Increment Loan Agreement with the Tenderloin Neighborhood Development Corporation, a California non-profit public benefit corporation, to Approve assignment to MM Preservation L.P., a California limited partnership, as the borrower and to Increase the loan by \$1,452,401, for a total loan amount not to exceed \$2,861,274, pertaining to the Rehabilitation of 119 units of Very Low Income Rental Housing at Maria Manor, 174 Ellis Street, as part of the Agency's Affordable Housing Preservation Program; Citywide Tax Increment Housing Program
- 4 (j)** Resolution No. 47-2002, Authorizing a First Amendment to the Standby Payment Agreement with MM Preservation, L.P., a California limited partnership, to Increase the Agency's Contingent Standby Payment Obligation by \$359,867 to a total aggregate Contingent Obligation not to exceed \$2,247,186 plus related costs, for the Preservation of 119 units of Very Low Income Rental Housing at Maria Manor, 174 Ellis Street, as part of the Agency's Housing Preservation Program; Citywide Tax Increment Housing Program

Presenters: Erin Carson (Agency staff)

Speakers: Michael Magy, Roger Langford, Carol Gordon, Kelly Cullen

Commissioner Dunlop asked the current number of accessible units in the development and how accessible the elevator was to the frail elderly and handicapped. Mr. Dunlop asked if the rent increases were still within the same affordability level and inquired about the maintenance issues raised by one of the tenants. Mr. Dunlop thanked staff and TNDC for their efforts to increase the accessibility of the units.

Ms. Erin Carson stated that after completion of the rehabilitation, there would be six (6) accessible units. Mr. Nick Griffin added that there would also be one unit on each floor for the hearing-impaired. Mr. Olson Lee stated that under the Section 8 project based rental assistance program, tenants pay 30% of their monthly income towards their monthly rental costs and the rent increases would not result in increase of tenants' rents except when their income rises. Mr. Olson Lee addressed the maintenance issues and informed the Commission that tenants had the opportunity to raise concerns and issues, as there were tenant representatives that sat on the Board and there would be continued representation during the management conversion. The intent was to improve service levels prior to the purchase and to provide consistent on-going operations working with the tenants. Mr. Don Falk (TNDC) admitted that it had been a difficult transition but there had been 15 to 20 meetings with tenants and TNDC tried to respond to concerns and had hired a recreational coordinator to work with the tenants.

Commissioner Singh had not heard of poor management by TNDC and asked if the rent for the commercial space New Delhi Restaurant would be increased. Mr. Singh shared that the restaurant was an Indian gathering place and therefore an important asset in the community.

Commissioner Romero recalled that there was tenant support for previous TNDC projects and remarked that not everyone could be satisfied 100% of the time, but that the Agency and TNDC were committed to the project and the Commission was obligated to follow-through. Mr. Romero hoped that tenants would continue to work with TNDC on such a positive program.

Commissioner Yee was pleased to see tenants come to the meeting and raise their concerns with the Commission and encouraged tenants to speak out when they have issues. Mr. Yee stated that the goal of the Commission was to improve the quality of life for the tenants.

ADOPTION: IT WAS MOVED BY MR. ROMERO, SECONDED BY MR. DUNLOP, AND UNANIMOUSLY CARRIED (MS. WALKER ABSENT) THAT ITEM 4 (h) RESOLUTION NO. 45-2002, AUTHORIZING A FIRST AMENDMENT TO THE GROUND LEASE WITH MM PRESERVATION, L.P., A CALIFORNIA LIMITED PARTNERSHIP, TO AMEND THE SCHEDULE OF PERFORMANCE FOR REHABILITATION OF 119 UNITS OF VERY LOW INCOME

RENTAL HOUSING AT MARIA MANOR, 174 ELLIS STREET, AS PART OF THE AGENCY'S AFFORDABLE HOUSING PRESERVATION PROGRAM; CITYWIDE TAX INCREMENT HOUSING PROGRAM, BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. ROMERO, SECONDED BY MR. DUNLOP, AND UNANIMOUSLY CARRIED (MS. WALKER ABSENT) THAT ITEM 4 (i) RESOLUTION NO. 46-2002, AUTHORIZING A FIRST AMENDMENT TO THE TAX INCREMENT LOAN AGREEMENT WITH THE TENDERLOIN NEIGHBORHOOD DEVELOPMENT CORPORATION, A CALIFORNIA NON-PROFIT PUBLIC BENEFIT CORPORATION, TO APPROVE ASSIGNMENT TO MM PRESERVATION L.P., A CALIFORNIA LIMITED PARTNERSHIP, AS THE BORROWER AND TO INCREASE THE LOAN BY \$1,452,401, FOR A TOTAL LOAN AMOUNT NOT TO EXCEED \$2,861,274, PERTAINING TO THE REHABILITATION OF 119 UNITS OF VERY LOW INCOME RENTAL HOUSING AT MARIA MANOR, 174 ELLIS STREET, AS PART OF THE AGENCY'S AFFORDABLE HOUSING PRESERVATION PROGRAM; CITYWIDE TAX INCREMENT HOUSING PROGRAM, BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. ROMERO, SECONDED BY MR. SINGH, AND UNANIMOUSLY CARRIED (MS. WALKER ABSENT) THAT ITEM 4 (j) RESOLUTION NO. 47-2002, AUTHORIZING A FIRST AMENDMENT TO THE STANDBY PAYMENT AGREEMENT WITH MM PRESERVATION, L.P., A CALIFORNIA LIMITED PARTNERSHIP, TO INCREASE THE AGENCY'S CONTINGENT STANDBY PAYMENT OBLIGATION BY \$359,867 TO A TOTAL AGGREGATE CONTINGENT OBLIGATION NOT TO EXCEED \$2,247,186 PLUS RELATED COSTS, FOR THE PRESERVATION OF 119 UNITS OF VERY LOW INCOME RENTAL HOUSING AT MARIA MANOR, 174 ELLIS STREET, AS PART OF THE AGENCY'S HOUSING PRESERVATION PROGRAM; CITYWIDE TAX INCREMENT HOUSING PROGRAM, BE ADOPTED.

- 4 (k) Resolution No. 48-2002, Authorizing a Third Amendment to the Disposition and Development Agreement with SF Museum Tower LLC, a Delaware limited liability company, to Extend the Performance Schedule and Revise other requirements for development of Parcel EB-2A, located at the southeast corner of Third and Missions Streets; Yerba Buena Center Approved Redevelopment Project Area

Presenters: William Carney (Agency staff)

Commissioner King commended Mr. Friedman and Mr. Snyder for their excellent work in moving the project forward and put forth a motion to adopt item 4 (k).

Commissioner Romero echoed Commissioner King's comments and seconded the motion.

Commissioner Yee applauded the efforts of the developer.

Commissioner Dunlop stated his support for the project and congratulated staff and Mr. Friedman and Mr. Snyder for their great work.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. ROMERO, AND UNANIMOUSLY CARRIED (MS. WALKER ABSENT) THAT ITEM 4 (k) RESOLUTION NO. 48-2002, AUTHORIZING A THIRD AMENDMENT TO THE DISPOSITION AND DEVELOPMENT AGREEMENT WITH SF MUSEUM TOWER LLC, A DELAWARE LIMITED LIABILITY COMPANY, TO EXTEND THE PERFORMANCE SCHEDULE AND REVISE OTHER REQUIREMENTS FOR DEVELOPMENT OF PARCEL EB-2A, LOCATED AT THE SOUTHEAST CORNER OF THIRD AND MISSIONS STREETS; YERBA BUENA CENTER APPROVED REDEVELOPMENT PROJECT AREA, BE ADOPTED.

- 4 (l) Resolution No. 49-2002, Authorizing a Personal Service Contract with 3D/International, Inc., a Texas corporation, in an amount not to exceed \$100,000 for Strategic Facilities Management Consulting Services at Yerba Buena Gardens; Yerba Buena Center Redevelopment Project Area

Presenters: Kevin Warner (Agency staff)

Commissioner King stated that he would support the item but raised concerns that there was no one on staff with the skills necessary to do the job and asked how long was the contract for. Mr. King questioned why an outside firm from Texas had to be hired for the job and thought that the Agency had staff engineers that could handle the job.

Executive Director Rosen explained that the contract was for strategic planning the long-term maintenance of the Yerba Buena Gardens and would facilitate forecasting of maintenance and operational needs of the Gardens complex.

Mr. Kevin Warner stated that the Yerba Buena Gardens was a complex facility that required specialized assessment of operations and maintenance for future replacement of mechanical systems and 3D International was providing the necessary software that will enable the Agency to manage the long-term operations and maintenance of the Gardens. Mr. Warner

informed the Commission that the software program would be operational in four months.

Commissioner Yee supported Commissioner King's concerns and remarked that the Agency was supposed to have expert staff and asked if additional manpower or staff was needed. Mr. Yee stated his support for the item.

Executive Director Rosen explained that the contract would not provide training but an assessment of new technology to analyze a very complex facility and would implement a software program to enable management of the Garden facilities. Ms. Rosen added that 3D International had vast experience in this field and the contract would provide Agency staff with the expertise necessary for the long-term operations and maintenance of the Gardens.

Commissioner Romero felt it was important to upgrade the knowledge base of Agency staff and pointed out that the Gardens were built several years ago and it was timely to address the long-term maintenance issues to ensure continued success.

Acting President Palamountain stated her support for the contract and commended staff for thinking ahead.

ADOPTION: IT WAS MOVED BY MR. SINGH, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED (MS. WALKER ABSENT) THAT ITEM 4 (I) RESOLUTION NO. 49-2002, AUTHORIZING A PERSONAL SERVICE CONTRACT WITH 3D/INTERNATIONAL, INC., A TEXAS CORPORATION, IN AN AMOUNT NOT TO EXCEED \$100,000 FOR STRATEGIC FACILITIES MANAGEMENT CONSULTING SERVICES AT YERBA BUENA GARDENS; YERBA BUENA CENTER REDEVELOPMENT PROJECT AREA, BE ADOPTED.

- 4 (m)** Workshop to provide update on the Navy's environmental remediation activities at the Hunters Point Shipyard; Hunters Point Shipyard Redevelopment Project Area

Presenters: Don Capobres (Agency staff), Keith Foreman, Dave DeMars (U.S. Navy)

Speakers: Oscar James, Lynne Brown, Mike Tomas, Christine Shirley, Saul Bloom

Commissioner Yee thanked Mr. Keith Foreman for a good presentation and asked the following questions: (1) status of Parcel B, Building 123, (2) percent of completion for Parcel D, (3) amount and length of time of cleanup for Parcel E, (4) estimated time of completion for the whole Shipyard, (5) sufficient funds to complete cleanup, (6) cost and frequency of

capping of sites, (7) commitment from Navy to remove landfill, and (8) total cost of Shipyard cleanup.

Mr. DeMars responded that the Navy felt that cleanup of Parcel B had been completed and that Building 123 was vacant. As part of early removal actions, the Navy had cleaned up 19 contaminated soil sites on Parcel D and would include the results in a Feasibility Study. The cleanup for Parcel E would continue into the next year and would take one to two years to complete the cleanup. The targeted completion date for the cleanup of the whole Shipyard was 2007 and would be followed with conveyance to the City of all the parcels. There would be budgeting for future years to continue the cleanup efforts. Mr. DeMars stated that the Navy had placed a temporary cap on 16 acres on Parcel E and conducted quarterly inspections of the temporary cap and added that the interim cap was placed to extinguish the August 2000 fire. Mr. DeMars stated that the Navy was committed to remove all of the contaminated soils and would choose the remedial option that would best protect the health and safety of the public. The total cost of the Shipyard cleanup was estimated to cost \$120 million.

Commissioner Dunlop thanked Mr. Foreman and Mr. DeMars for their presentation and asked the following questions: (1) was there guaranteed funding for the cleanup and would the Navy continue to request funding, (2) identify toxics from plumes on Parcel B, (3) when was vapor extraction started and were all contaminants identified, (4) City cleanup standards followed by Navy, (5) was fire on Parcel E caused by methane, (6) monitoring of plumes and record of what the Navy disposed of, (7) where did new landfill come from and how deep was the drilling, (8) was the area subject to flooding and was it being monitored, and (9) were the radium dials being disposed of. Mr. Dunlop shared that there was a methane fire at the Shoreline amphitheater and the plume migrated to a vast area. Mr. Dunlop thanked the public for coming to the workshop.

Mr. Foreman stated that the Navy's budget was an incremental process and was subject to annual Congressional appropriations and was confident of funding for the year 2002. Mr. DeMars added that Navy would continue to request funding and that to date, there had not been a shortfall of funds for the cleanup of the Hunters Point Shipyard. Mr. DeMars stated that the contaminants on Parcel B comprised of petroleum tanks as well as TCE solvents. The vapor extraction was started seven months ago and was part of a "Treatability" Study that resulted in the removal of pounds of contaminants and that Parcel B was fully characterized following identification of all the contaminants encountered. The Navy was working with local regulators, the City's toxic cleanup team and the Agency to ensure compliance with the City's cleanup standards. Mr. DeMars was not certain what materials were burning on Parcel E, but he believed that it was not methane. The Navy had installed monitoring systems for the plumes

and material disposed of by the Navy was comprised mostly of construction debris and the new landfill used to backfill excavated areas came from other parts of the Shipyard and the Navy had drilled to a depth of 35 feet. Mr. DeMars stated that the Shipyard, particularly Parcels D, E and F were wetland areas and were subject to flooding and the Navy monitored the area for flooding susceptibility. Mr. DeMars stated that the radium dials were being disposed of and the Navy was still studying the radium dials and the results would be in a report that was scheduled to be completed on March 29th.

Commissioner Romero acknowledged that the Navy had a tough job on a very complex naval base and the Navy had done a good job handling Commissioners' questions. Mr. Romero expressed concerns with the health and safety of the Shipyard tenants, the nearby residents and the general public.

Commissioner Singh remarked that he learned a lot from the workshop and thanked the Navy for their excellent presentation.

At approximately 6:30 p.m., Commissioner King departed the meeting

Commissioner Palamountain recalled concerns raised by ARC Ecology that there was flawed data on the methane gas based on its interview with workers in the Shipyard and that the updated data on Parcel A had not been made available and because the data was due on April 1st according to the MOA, the community felt that it would not have the opportunity to meaningfully participate and have their concerns addressed. Ms. Palamountain asked how the Navy envisioned the relationship between the City and the Navy for early transfer of the parcels given the issues that the community had raised. Ms. Palamountain stated that the MOA was a result of the dissatisfaction from the community with the Navy's cleanup efforts and asked how the Navy would approach the remediation of the parcels that would facilitate early transfer of the parcels.

Mr. Keith Foreman stated that the relationship would change as the Navy was moving out of the investigative phase and moving toward remediation and cleanup. The process required a closer relationship with the regulators, the City, the Agency and the community for the anticipated redevelopment of the Shipyard. Mr. Foreman added that the process would force closer scrutiny by the City and the community and would require partnering with the City for the reuse of the parcels.

Commissioner Palamountain opined that Parcel A had more value to the City as part of the whole Shipyard and that the reuse plan would not seem feasible if only Parcels A and B were cleaned up and transferred. The intent was to create a new neighborhood comprising of the whole Shipyard that

required cleanup of all the parcels in order to proceed with reuse of the Shipyard, and asked how the Navy was approaching the Shipyard's reuse. Ms. Palamountain requested an informational memorandum regarding the soil vapor extraction systems as well as information about the science of capping contaminated soil sites if the Navy was proposing that as a permanent solution and also to address the liquefaction issue raised by the public. Ms. Palamountain asked if there were remedies proposed for Parcel E or just characterization prior to transfer. Ms. Palamountain asked if the Navy knew if the fires were affecting nearby houses and where the dry dock was.

Mr. Foreman stated that the Navy would be working closely with the City's regulators and the Agency as well as the community to gather input about the reuse of the naval base.

Mr. DeMars stated that there were seven soil vapor extraction systems that had been installed and the purpose was to study if the technology worked and that the study was almost complete, that the systems would be shut down and a report would be prepared on their effectiveness. Mr. DeMars stated that there would be no proposed remedies for Parcel E and the Navy would provide characterization and a report of data collected and a report dealing with the preferred remedy for Parcel E were to be completed in January 2002. Mr. DeMars stated that the fire did not affect the nearby houses and was limited to the confines of the landfill area on Parcel E. The dry dock was on Parcel F on the south side of the Shipyard.

Commissioner Palamountain thanked the Navy for coming to the meeting and conducting the workshop.

5. **MATTERS NOT APPEARING ON AGENDA** - None.

6. **PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY RELATED MATTERS**

- Mary Helen Rogers

7. **REPORT OF THE PRESIDENT**

Acting President Palamountain shared letters from members of the public informing the Commission that it did not have to change the Commission meeting start time to a later time. Ms. Palamountain also shared letters to her and President Walker from Mercy Housing regarding the acquisition of the Leland Hotel. Ms. Palamountain thanked Matthew Schwartz, Olson Lee, Kate Hartley, Marcia Rosen and Mercy Housing for the hard work.

8. REPORT OF THE EXECUTIVE DIRECTOR

- Board of Supervisors' Transportation and Commerce Committee meeting on March 14th at 10:00 a.m. – Supervisor Jake McGoldrick had requested an informational presentation on the Agency's current year budget and its affordable housing program.
- Provided copies of Supervisor Chris Daly's proposed legislation that would declare the Board of Supervisors as the governing body of the Redevelopment Agency and would establish an eleven-member Community Redevelopment Commission – a public hearing before the full Board of Supervisors was scheduled for Monday, March 25th at 5:00 p.m.
- Leland Hotel acquisition – closed last week and approved by the Board of Supervisors – positive comments by Board of Supervisors for the project that would provide 72 additional units for very low-income seniors.
- Attended the Bayview Hunters Point Project Area Committee (PAC) annual meeting on February 28th where Mayor Brown and Supervisor Maxwell gave awards to members of the PAC.
- March 8th was International Women's Day that also marked the 88th anniversary of Mary Elizabeth Inn – the Agency provided a \$2.7 million rehabilitation grant for the project and the Board of Directors and residents conveyed their gratitude to the Agency.
- March 11th staff presentation to the BCDC design review board of the South Beach Harbor design and construction project – matter would be before the Commission in April.
- Mission Bay community meeting regarding the Mission Bay Library on March 18th at 7:00 p.m. at the Mission Bay Visitors' Center.
- Reception to introduce Michael Bivens, the new President of the National Urban Fellows on March 20th at 5:30 p.m. at the Agency offices.

9. COMMISSIONERS QUESTIONS AND MATTERS

- Commissioner Yee inquired about item 4 (d) on the draft March 19th Agenda regarding a pre-development grant agreement in the amount of \$500,000 for the development of 115 units of very low income units at the Plaza Hotel and asked if the Commission had approved the number of units for the Plaza Hotel.

Executive Director Rosen stated that Commissioner Yee was referring to the draft March 19th Agenda which was going to be further refined at Agenda setting the next day and the items were related to the Commission's direction to undertake direct development of the Plaza Hotel. Ms. Rosen clarified that all of the items on the draft March 19th Agenda related to direct development may not stay on the Agenda as staff was still refining its analysis but that would be discussed with the President and Vice-President.

- Commissioner Yee stated that the Plaza Hotel needed one, two and three-bedroom units in addition to SRO units and asked staff to look at including family units in the development.
- Commissioner Romero commended Commissioner Palamountain for doing a great job of managing the meeting.
- Commissioner Singh asked about the National Urban Fellows program and requested additional information about the process and asked if the Agency provided financial assistance to the selected candidates. Mr. Singh indicated that he would attend the March 20th reception.

Executive Director Rosen stated that the National Urban Fellows was a graduate program at the Baruch College of the City University in New York and more information would be provided at the reception and if Commissioner Singh was not able to attend the reception, the information would be sent. Ms. Rosen informed the Commission that the Agency provided a stipend to the candidate selected to work in the Agency.

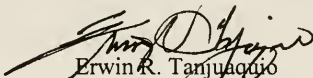
- Commissioner Dunlop requested an opinion from the General Counsel regarding protection for Commissioners who reveal potential wrongdoings in a Closed Session meeting. Mr. Dunlop also requested the Commission Secretary to prepare a report of the number of outside communications reported by each of the Commissioners, in accordance with the Agency's Disclosure Policy.

10. CLOSED SESSION. None.

11. ADJOURNMENT

It was moved by Mr. Singh, seconded by Mr. Romero, and unanimously carried that the meeting be adjourned. The meeting adjourned at 7:14 p.m.

Respectfully submitted,



Erwin R. Tanguaquin
Agency Secretary

APPROVED:

March 26, 2002

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
19TH DAY OF MARCH 2002

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at City Hall, 1 Dr. Carlton B. Goodlett Place, Room 416, in the City of San Francisco, California, at 4:00p.m. on the 19th day of March 2002, at the place and date duly established for holding of such a meeting.

President Chantel L. Walker called the meeting to order at 4:05 p.m. President Walker welcomed members of the public and asked that cell phones and pagers be turned off during the meeting.

1. Recognition of a Quorum

The Commission Secretary announced the presence of a quorum with the following Commissioners present.

Chantel L. Walker, President
Kathryn C. Palamountain, Vice President
Mark Dunlop
Leroy King
Ramon E. Romero
Darshan Singh

DOCUMENTS DEPT.

And the following were absent:

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Benny Y. Yee

SAN FRANCISCO
PUBLIC LIBRARY

Marcia Rosen, Executive Director, and staff members were also present.

- 2. Report on actions taken at previous Closed Session meeting, if any. None.**
- 3. Matters of Unfinished Business: None.**
- 4. Matters Of New Business**

CONSENT AGENDA

- 4 (a)** Resolution No. 50-2002, Authorizing Payment of \$65,000 to the Human Rights Commission of the City and County of San Francisco, for the Agency's share of the cost of the Citywide Surety Bond Program

ADOPTION: IT WAS MOVED BY MR. SINGH, SECONDED BY MR. ROMERO, AND UNANIMOUSLY CARRIED (MR. YEE ABSENT) THAT CONSENT AGENDA ITEM 4 (a) RESOLUTION NO. 50-2002, AUTHORIZING PAYMENT OF \$65,000 TO THE HUMAN RIGHTS COMMISSION OF THE CITY AND COUNTY OF SAN FRANCISCO, FOR THE AGENCY'S SHARE OF THE COST OF THE CITYWIDE SURETY BOND PROGRAM, BE ADOPTED.

REGULAR AGENDA

- 4 (b) Resolution No. 51-2002, Authorizing the Incorporation of Public Initiatives Development Corporation, a California nonprofit public benefit corporation, for the Agency's Direct Development of Low and Moderate Income Housing, and the Performance of any and all actions necessary for the Formation and Organization of the Corporation; All Redevelopment Project Areas

Presenters: Olson Lee (Agency staff)

Commissioner Dunlop was sorry to see that there were no public speakers on one of the largest decisions and most important actions that the Commission had considered since the Agency was mandated by the courts to partner with non-profit developers in the early days of Yerba Buena Center. The proposed direct development constituted a monumental change in policy that had minimal public input and the limited public input had been negative. The proposal had not shown any public benefit and had delayed the construction of sorely needed low-income housing. Mr. Dunlop asked if the Board of Supervisors had authorized funds for the Agency's direct development and questioned where the money would come from. The proposed direct development was not going to augment the Agency's affordable housing production but would supplant it for a development that already had a qualified non-profit developer. Mr. Dunlop opined that the approach was wrong because there had been no adequate study of its merits and benefit to the public and urged the Commission to not support the proposed direct development.

Commissioner King stated that he was not in favor of the item and that further analysis and data were needed from staff before proceeding. Mr. King pointed out that direct development was not new to the Agency and that the Agency had undertaken direct development of numerous housing developments in the Western Addition working with the neighborhood churches. Mr. King requested more details on the proposed non-profit development corporation. Mr. King commented that Commissioners were appointed by the Mayor who was elected by the people to set policy for the entire City and the Mayor's directions should be followed. Mr. King

reminded the Commission that the Board of Supervisors was going to hold a public hearing on March 25th to discuss taking over the Agency and there would be opportunity for Commissioners to speak in support of the Agency.

Commissioner Singh agreed with Commissioner King's comments that there was no proper documentation on the proposed non-profit development corporation and the matter should be postponed or tabled until the following week.

President Walker asked Commissioners to provide specific concerns so that staff may address them.

Commissioner Palamountain asked the following questions: (1) what was the difference in public contracting requirements for the proposed non-profit and the Agency and would the non-profit be subject to the low-bid requirement, (2) explanation of Article 4(e) of the Bylaws that prohibits engaging in self-dealing since the non-profit would be closely aligned with the Agency, (3) would the non-profit be staffed by Agency staff, receive compensation and would the compensation come from the Agency, (4) since the Board of the non-profit would comprise of the Commission President, the Executive Director and three Deputy Executive Directors and would be governed by the Agency Commission, what would happen if there was a divergence from Agency policies.

General Counsel Bertha A. Ontiveros responded that since the non-profit would be formed by the Commission to implement Agency policy, it would be subject to all requirements that the Commission was subject to, including the Brown Act, Public Records Act as well as public contracting requirements and the Agency's purchasing policy. The new non-profit would also be subject to the low bid requirement for construction projects. The requirement to not engage in self-dealing was required under the Corporations Code and would prohibit the non-profit from contracting with members of the Board. The non-profit would be staffed by Agency staff and would receive compensation from the Agency and the compensation would come from the predevelopment funds granted to the non-profit. Although staff would be working for both the non-profit and the Agency, it would not violate the Government Code outside employment provisions.

Executive Director Marcia Rosen explained that Commissioner Palamountain's questions related more to a Cooperation Agreement that would spell out in detail the relationship between the non-profit, the Commission and Agency staff and the Cooperation Agreement would be brought before the Commission in the near future. The matter before the Commission was the incorporation of a non-profit development corporation in order to have a legal entity with which the Agency could have a Cooperation Agreement that would carry out the direct development.

Commissioner Palamountain was concerned with approving a non-profit without much direction from staff and pointed out that Article 6 of the Bylaws stated that the Board of Directors could make amendments whose members were from both the Commission and the Agency. Ms. Palamountain anticipated policy differences and wanted a clear idea of how to resolve potential conflicts, and to understand better how Agency employees would be paid by the non-profit. Ms. Palamountain asked about the retention of excess business holdings and the authority to incur indebtedness and spend funds.

Commissioner King did not recall having a discussion about creating a non-profit development corporation and that the Agency was supposed to undertake direct development itself.

**THERE WAS NO MOTION MADE TO ADOPT ITEM 4 (b),
RESOLUTION 51-2002 WAS NOT ADOPTED**

- 4 (c)** Resolution No. 52-2002, Authorizing a First Amendment to the Property Management and Leasing Agreement with John Stewart Company, a California corporation, to Increase the authorized expenditures by an amount of \$350,000 for a total aggregate amount not to exceed \$900,000 for repairs, operating and associated costs for the Plaza Hotel, 988-992 Howard Street; South of Market Earthquake Recovery Redevelopment Project Area

Presenters: Vanessa Dandridge (Agency staff)

Speakers: Calvin Welch

Commissioner Dunlop put forth a motion to adopt item 4 (c) and remarked that because of the building's deteriorated condition and concerns with the safety of the residents, the additional funds are necessary. The Plaza Hotel tenants had become the victims of the Commission's inability to deal with the Plaza Hotel and the Agency who owns the property was only managing the building and had to undertake the needed public safety repairs. Mr. Dunlop appealed to the Mayor to break the gridlock on the Commission and have TODCO proceed with the development of the Plaza Hotel.

Commissioner Romero seconded the motion. Mr. Romero stated that the Commission now had no choice but to authorize additional funds to do the repairs. Mr. Romero wished that the Agency was spending the money elsewhere such as other low-income housing.

President Walker stated that since the Agency had invested in the property, the Agency should continue to maintain it until the property was developed.

ADOPTION: IT WAS MOVED BY MR. DUNLOP, SECONDED BY MR. ROMERO, AND UNANIMOUSLY CARRIED (MR. YEE ABSENT) THAT ITEM 4 (c) RESOLUTION NO. 52-2002, AUTHORIZING A FIRST AMENDMENT TO THE PROPERTY MANAGEMENT AND LEASING AGREEMENT WITH JOHN STEWART COMPANY, A CALIFORNIA CORPORATION, TO INCREASE THE AUTHORIZED EXPENDITURES BY AN AMOUNT OF \$350,000 FOR A TOTAL AGGREGATE AMOUNT NOT TO EXCEED \$900,000 FOR REPAIRS, OPERATING AND ASSOCIATED COSTS FOR THE PLAZA HOTEL, 988-992 HOWARD STREET; SOUTH OF MARKET EARTHQUAKE RECOVERY REDEVELOPMENT PROJECT AREA, BE ADOPTED.

5. **MATTERS NOT APPEARING ON AGENDA** - None.
6. **PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY RELATED MATTERS** None.
7. **REPORT OF THE PRESIDENT**
 - President Walker thanked everyone for the well wishes when she was ill the previous week.
8. **REPORT OF THE EXECUTIVE DIRECTOR**
 - Board of Supervisors hearing on March 25th at 5:00 p.m. regarding the Agency Governing Structure – copies of the proposed legislation are available at the Clerk of the Board's office and the Agency offices.
 - Site X in Hunters Point, development of 10 single-family homes by E.M. Johnson to close the disposition of the property on April 1st.
9. **COMMISSIONERS QUESTIONS AND MATTERS**
 - Commissioner Palamountain shared her distress about the situation with the Plaza Hotel and the Agency throwing money away during difficult economic times and that she was interested in finding solutions to the problem. The residents of the Plaza Hotel should not be punished for the Agency's decisions (acknowledged her role in those decisions) and that she did not see a resolution within the next 18 months that the Commission had just authorized additional repair work. Ms. Palamountain stated that she was open to any ideas that would help the Agency to proceed with the development of the Plaza Hotel.

- Commissioner King was disappointed with the Plaza Hotel situation and remarked that the Agency was back to where it was two years ago and still no progress had been made.

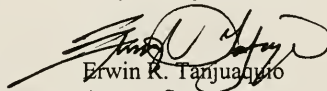
10. **CLOSED SESSION**

- (a) Pursuant to Government Code § 54956.9(b): Conference with Legal Counsel regarding anticipated litigation: one potential case

11. **ADJOURNMENT**

It was moved by Mr. Dunlop, seconded by Mr. King, and unanimously carried that the meeting be adjourned. The meeting adjourned at 5:11 p.m.

Respectfully submitted,



Erwin R. Tanjanguero
Agency Secretary

APPROVED:

April 9, 2002

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
26TH DAY OF MARCH 2002

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at City Hall, 1 Dr. Carlton B. Goodlett Place, Room 416, in the City of San Francisco, California, at 4:00p.m. on the 26th day of March 2002, at the place and date duly established for holding of such a meeting.

President Chantel L. Walker called the meeting to order at 4:40 p.m. President Walker welcomed members of the public and asked that cell phones and pagers be turned off during the meeting.

1. Recognition of a Quorum

The Commission Secretary announced the presence of a quorum with the following Commissioners present.

Chantel L. Walker, President
Kathryn C. Palamountain, Vice President
Mark Dunlop
Leroy King
Ramon E. Romero
Darshan Singh
Benny Y. Yee

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And the following were absent:

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Ayisha Benham, Deputy Executive Director, Finance and Administration, and staff members were also present.

The Commission met in a Special Meeting as the Housing Committee of the Affordable Housing and Home Ownership Bond Program before commencing the Regular Agency Meeting Agenda. The Housing Committee meeting was called to order at 4:00 p.m. and adjourned at 4:35 p.m.

- 2. Report on actions taken at previous Closed Session meeting, if any.** None.
- 3. Matters of Unfinished Business:** None.
- 4. Matters Of New Business**

CONSENT AGENDA

- 4 (a) Approval of Minutes: Meeting of March 12, 2002.
- 4 (b) Resolution No. 53-2002, Authorizing Elizabeth Colomello, Assistant Development Specialist, to travel to Washington, D.C. on April 24-26, 2002 to attend the AIDS Housing of Washington's 2002 National HOPWA Formula Grantee's Meeting at a cost not to exceed \$1,210
- 4 (c) Resolution No. 54-2002, Authorizing Jose Campos, Planning Division Supervisor, and David Habert, Senior Planner, to travel to Chicago, Illinois on April 13 -17, 2002 to attend the annual American Planning Association Conference at a cost not to exceed \$3,250
- 4 (d) Resolution No. 55-2002, Authorizing Sylvester McGuire, Senior Contract Compliance Specialist, to travel to Portland, Oregon on April 6-10, 2002 to attend the National Forum for Black Public Administrators' Annual Conference at a cost not to exceed \$2,000

ADOPTION: IT WAS MOVED BY MR. ROMERO, SECONDED BY MS. PALAMOUNTAIN, AND UNANIMOUSLY CARRIED THAT CONSENT AGENDA ITEMS 4 (a) APPROVAL OF MINUTES: MEETING OF MARCH 12, 2002, 4 (b) RESOLUTION NO. 53-2002, AUTHORIZING ELIZABETH COLOMELLO, ASSISTANT DEVELOPMENT SPECIALIST, TO TRAVEL TO WASHINGTON, D.C. ON APRIL 24-26, 2002 TO ATTEND THE AIDS HOUSING OF WASHINGTON'S 2002 NATIONAL HOPWA FORMULA GRANTEE'S MEETING AT A COST NOT TO EXCEED \$1,210, 4 (c) RESOLUTION NO. 54-2002, AUTHORIZING JOSE CAMPOS, PLANNING DIVISION SUPERVISOR, AND DAVID HABERT, SENIOR PLANNER, TO TRAVEL TO CHICAGO, ILLINOIS ON APRIL 13 -17, 2002 TO ATTEND THE ANNUAL AMERICAN PLANNING ASSOCIATION CONFERENCE AT A COST NOT TO EXCEED \$3,250, and 4 (d) RESOLUTION NO. 55-2002, AUTHORIZING SYLVESTER MCGUIRE, SENIOR CONTRACT COMPLIANCE SPECIALIST, TO TRAVEL TO PORTLAND, OREGON ON APRIL 6-10, 2002 TO ATTEND THE NATIONAL FORUM FOR BLACK PUBLIC ADMINISTRATORS' ANNUAL CONFERENCE AT A COST NOT TO EXCEED \$2,000, BE ADOPTED.

REGULAR AGENDA

Items 4 (e), (f) and (g) were presented together and acted upon separately.

- 4 (e) Resolution No. 56-2002, Authorizing a First Amendment to the Owner Participation Agreement with Tenants and Owners Development Corporation, a California nonprofit public benefit corporation, to revise (1) the permitted Commercial Loan Terms and increase the amount by \$279,000 to a total amount not to exceed \$1,379,000, and (2) permit an increase to the predevelopment grant amount by \$30,000 for a total amount not to exceed \$162,000, for the proposed 85-unit very low income senior housing and its retail/institutional component, 827 Howard Street; Yerba Buena Center Redevelopment Project Area
- 4 (f) Resolution No. 57-2002, Authorizing a Commercial Loan Agreement with Tenants and Owners Development Corporation, a California nonprofit public benefit corporation, in an amount not to exceed \$1,379,000, for the retail/institutional component of the proposed mixed-used low income senior housing development, 827 Howard Street; Yerba Buena Center Redevelopment Project Area
- 4 (g) Resolution No. 58-2002, Authorizing a First Amendment to the Predevelopment Grant Agreement with Tenants and Owners Development Corporation, a California nonprofit public benefit corporation, to increase the grant amount by \$30,000 for a total aggregate amount not to exceed \$162,000 in connection with the re-landscaping of the common area adjacent to the Clementina Towers, 320 Clementina Street, Yerba Buena Center Redevelopment Project Area

Presenters: Ricky Tijani (Agency staff)

Speakers: Jeannie Riggs, Bob Planthold, Sally Green

Commissioner Dunlop put forth a motion to adopt item 4 (e) and thanked the public for coming to the meeting and expressed that it was a wonderful project, especially the collaborative effort with the Housing Authority, the residents of the Clementina Towers and the community.

Commissioner Singh asked if the matters before the Commission were loans and how many other Agency loans there were with TODCO and for how many projects.

Mr. Olson Lee responded that all of the TODCO projects had tax increment loans but he did not have the total number of projects, but would provide the information to the Commission.

Commissioner Palamountain thanked Clementina, TODCO and the Senior Action Network for their efforts and commended their collaborations and advocacy for projects that may not benefit them directly and stated her support for the items. Ms. Palamountain pointed out that there was a reduction of funds allocated to the landscaping portion of the project and asked if that would result in diminished landscaping of the grounds from what was initially presented to the Commission.

Mr. Olson Lee responded that the sources of funds for the project had been adjusted and moved around, which resulted in a reduction of the landscaping costs but that the intent was to maintain the full landscaping for the grounds and since it was early in the preliminary design stage, staff had not identified specific impacts upon the landscaping portion. Mr. Lee informed the Commission that staff would know more in the coming months and would report to the Commission.

ADOPTION: IT WAS MOVED BY MR. DUNLOP, SECONDED BY MS. PALAMOUNTAIN, AND UNANIMOUSLY CARRIED THAT THAT ITEM 4 (e) RESOLUTION NO. 56-2002, AUTHORIZING A FIRST AMENDMENT TO THE OWNER PARTICIPATION AGREEMENT WITH TENANTS AND OWNERS DEVELOPMENT CORPORATION, A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION, TO REVISE (1) THE PERMITTED COMMERCIAL LOAN TERMS AND INCREASE THE AMOUNT BY \$279,000 TO A TOTAL AMOUNT NOT TO EXCEED \$1,379,000, AND (2) PERMIT AN INCREASE TO THE PREDEVELOPMENT GRANT AMOUNT BY \$30,000 FOR A TOTAL AMOUNT NOT TO EXCEED \$162,000, FOR THE PROPOSED 85-UNIT VERY LOW INCOME SENIOR HOUSING AND ITS RETAIL/INSTITUTIONAL COMPONENT, 827 HOWARD STREET; YERBA BUENA CENTER REDEVELOPMENT PROJECT AREA, BE ADOPTED.

ADOPTION: IT WAS MOVED BY MS. PALAMOUNTAIN, SECONDED BY MR. DUNLOP, AND UNANIMOUSLY CARRIED THAT ITEM 4 (f) RESOLUTION NO. 57-2002, AUTHORIZING A COMMERCIAL LOAN AGREEMENT WITH TENANTS AND OWNERS DEVELOPMENT CORPORATION, A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION, IN AN AMOUNT NOT TO EXCEED \$1,379,000, FOR THE RETAIL/INSTITUTIONAL COMPONENT OF THE PROPOSED MIXED-USED LOW INCOME SENIOR HOUSING DEVELOPMENT, 827 HOWARD STREET; YERBA BUENA CENTER REDEVELOPMENT PROJECT AREA, BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. DUNLOP, SECONDED BY MS. PALAMOUNTAIN, AND UNANIMOUSLY CARRIED THAT ITEM 4 (g) RESOLUTION NO. 58-2002, AUTHORIZING A FIRST AMENDMENT TO THE PREDEVELOPMENT GRANT AGREEMENT WITH TENANTS AND OWNERS DEVELOPMENT CORPORATION, A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION, TO INCREASE THE GRANT AMOUNT BY \$30,000 FOR A TOTAL AGGREGATE AMOUNT NOT TO EXCEED \$162,000 IN CONNECTION WITH THE RE-LANDSCAPING OF THE COMMON AREA ADJACENT TO THE CLEMENTINA TOWERS, 320 CLEMENTINA STREET, YERBA BUENA CENTER REDEVELOPMENT PROJECT AREA, BE ADOPTED.

5. MATTERS NOT APPEARING ON AGENDA - None.

6. PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA BUT AGENCY RELATED MATTERS

- Wayne Moskow (Yacht Broker)

7. REPORT OF THE PRESIDENT

- President Walker thanked staff for attending the Board of Supervisors hearing held on March 25th.
- Wished everyone Happy Passover and Happy Easter.
- Announced an Environmental Justice Community Workshop for Bayview Hunters Point residents, to be held at the Bayview Opera House, 4705 Third Street on Saturday, April 6, 2002 from 8:30 a.m. to 1:00 p.m.

8. REPORT OF THE EXECUTIVE DIRECTOR

- Informational Memoranda regarding:
 - RFQ for the HOPWA Rental Assistance Program
 - RFP for Investment Bankers related to Mission Bay Bonds
 - Issuance of Bid Package for the Yerba Buena Gardens Renovations Contracts
 - Revisions of Bid Package for the South Beach Harbor Repairs

- Copy of legislation introduced by Supervisor Aaron Peskin regarding term limits for Agency Commissioners

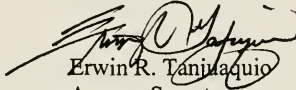
9. COMMISSIONERS QUESTIONS AND MATTERS None.

10. CLOSED SESSION None.

11. ADJOURNMENT

It was moved by Ms. Palamountain, seconded by Mr. Dunlop, and unanimously carried that the meeting be adjourned. The meeting adjourned at 5:11 p.m.

Respectfully submitted,


Erwin R. Taninaquio
Agency Secretary

APPROVED:

April 9, 2002

REVISED VERSION

• NOT YET APPROVED BY COMMISSION •

MINUTES OF A REGULAR MEETING OF THE REDEVELOPMENT AGENCY OF THE CITY AND COUNTY OF SAN FRANCISCO HELD ON THE 9TH DAY OF APRIL 2002

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at City Hall, 1 Dr. Carlton B. Goodlett Place, Room 416, in the City of San Francisco, California, at 4:00p.m. on the 9th day of April 2002, at the place and date duly established for holding of such a meeting.

President Chantel L. Walker called the meeting to order at 4:05 p.m. President Walker welcomed members of the public and asked that cell phones and pagers be turned off during the meeting.

1. RECOGNITION OF A QUORUM

The Commission Secretary announced the presence of a quorum with the following Commissioners present.

Chantel L. Walker, President
Mark Dunlop
Leroy King
Ramon E. Romero
Darshan Singh
Benny Y. Yee

DOCUMENTS DEPT.

And the following were absent:

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Kathryn C. Palamountain, Vice President

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Marcia Rosen, Executive Director and staff members were also present.

2. REPORT ON ACTIONS TAKEN AT PREVIOUS CLOSED SESSION MEETING, IF ANY. None.

3. MATTERS OF UNFINISHED BUSINESS: None.

4. MATTERS OF NEW BUSINESS

CONSENT AGENDA

4 (a) Approval of Minutes: Meetings of March 19 and 26, 2002.

ADOPTION: IT WAS MOVED BY MR. ROMERO, SECONDED BY MR. DUNLOP, AND UNANIMOUSLY CARRIED (MS. PALAMOUNTAIN ABSENT) THAT CONSENT AGENDA ITEM 4 (a) APPROVAL OF MINUTES: MEETINGS OF MARCH 19 AND 26, 2002, BE ADOPTED.

REGULAR AGENDA

- 4 (b)** Resolution No. 59-2002, Authorizing a Personal Services Contract with Northern Real Estate, LLC, a California corporation, in an amount not to exceed \$75,000 to Provide Community and Economic Development Consulting Services to the Hunters Point Shipyard Citizens Advisory Committee; Hunters Point Shipyard Redevelopment Project Area

Presenters: Gaynell Armstrong (Agency staff)

Speakers: Doris M. Vincent, Scott Madison, Karlene Hines, Marcia Dale-LeWinter, Alma Robinson

Commissioner Singh asked if Northern Real Estate had worked with the Agency before and Ms. Armstrong responded that it was the first time that Northern Real Estate would work with the Agency. Mr. Singh put forth a motion to adopt item 4 (b).

Commissioner Dunlop thanked Ms. Armstrong and staff for their hard work and the great outreach that resulted in a tremendous response from 12 consultant firms. Mr. Dunlop wished the consultant best of luck and seconded the motion.

President Walker commended staff for its hard work in working with the community and moving forward with the process.

ADOPTION: IT WAS MOVED BY MR. SINGH, SECONDED BY MR. DUNLOP, AND UNANIMOUSLY CARRIED (MS. PALAMOUNTAIN ABSENT) THAT ITEM 4 (b) RESOLUTION NO. 59-2002, AUTHORIZING A PERSONAL SERVICES CONTRACT WITH NORTHERN REAL ESTATE, LLC, A CALIFORNIA CORPORATION, IN AN AMOUNT NOT TO EXCEED \$75,000 TO PROVIDE COMMUNITY AND ECONOMIC DEVELOPMENT CONSULTING SERVICES TO THE HUNTERS POINT SHIPYARD CITIZENS ADVISORY COMMITTEE; HUNTERS POINT SHIPYARD REDEVELOPMENT PROJECT AREA, BE ADOPTED.

Items 4 (c), (d) and (e) were presented together and acted upon separately.

- 4 (c) Resolution No. 60-2002, Authorizing the Incorporation of Public Initiatives Development Corporation, a California nonprofit public benefit corporation, for the Agency's Direct Development of Low and Moderate Income Housing, and the Performance of any and all actions necessary for the Formation and Organization of the corporation; All Redevelopment Project Areas
- 4 (d) Resolution No. 61-2002, Authorizing a Cooperative Agreement with Public Initiatives Development Corporation, a California nonprofit public benefit corporation, for the Provision of certain Agency staff, Services, and Organizational Resources in support of the corporation's activities and purposes in the development of Low and Moderate Income Housing; All Redevelopment Project Areas
- 4 (e) Resolution No. 62-2002, Authorizing a Tax Increment Loan Agreement with Public Initiatives Development Corporation, a California nonprofit public benefit corporation, in an amount not to exceed \$500,000, for the Predevelopment and Construction of 115 Very Low Income Rental Units, Ground Floor Commercial Space and the Replacement of Bindlestiff Studios, at 988-992 Howard Street; South of Market Earthquake Recovery Redevelopment Project Area

Executive Director Marcia Rosen gave an overview of the items and informed the Commission that staff took great care in responding to the questions raised by the Commissioners and that the proposed non-profit development corporation was designed to be very accountable to the Commission and to protect the assets of the Agency and the legal liabilities and to allow the Commission to direct which activity the proposed non-profit would undertake. Ms. Rosen noted that there was a calendared item on the Executive Director's report regarding a tenant relocation plan for both residential and commercial tenants at the Plaza Hotel.

Presenters: Olson Lee (Agency staff)

Commissioner Singh recalled that Mr. Lee mentioned a six-month time frame for the Agency to proceed with the direct development of the Plaza Hotel and asked why it would take that long.

Mr. Olson Lee informed the Commission that it took time to put together the development team that would actually do the work, but that the Cooperative Agreement between the non-profit Public Initiatives Development Corporation and the Commission provided for quarterly progress reports to the Commission and outreach to the tenants with regard to relocation would begin immediately.

Commissioner King put forth a motion to adopt item 4 (c) and stated that he fully understood the staff's recommendation and thanked the Executive Director for her hard work.

Commissioner Yee seconded the motion. Mr. Yee recalled that Mr. Lee kept mentioning 115 SRO units and asked if the Commission had approved the number of units for the Plaza Hotel because he had said previously that he would like to see a range of unit types in the Plaza Hotel that would be reflective of the community's housing needs for studios, one, two and three-bedrooms.

Executive Director Rosen responded that the Commission voted for the Plaza Hotel development program of 115 SRO units and added that the PAC, staff and the Commission deemed the program to be appropriate for the particular site and location. There were a variety of housing needs in the South of Market and the development of different unit types would be looked at for other development opportunity sites. The 115 SRO units for the Plaza Hotel would meet the need for that particular site for development of needed SRO units.

Commissioner Dunlop stated that he was not necessarily in favor of the items on direct development, but that he was not against direct development. Mr. Dunlop stated that the mayor had the right to set public policy but such a policy was a tremendous change in Agency policy and felt that the items were being rushed through without adequate public input. Mr. Dunlop made the following motions to amend the bylaws of the Public Initiatives Development Corporation:

1. Add Article 1, Section 4a (iv) to augment the creation of affordable housing and not to supplant qualified developers;
2. Add Article 3, Section 1, Powers of Directors, (h) Any transaction in excess of \$50,000 to be reviewed by the Agency Commission prior to action;
3. Add to Article 3, the following to the last sentence of Section 8 – "...San Francisco Sunshine Laws, and all by-law provisions of the Agency Commission including but not limited to the reporting of contacts with interested parties and ..."
4. Add a new Section 6 to Article VII – Section 6, Term of Corporation: All provisions herein are for the sole purpose of the development of the Plaza Hotel, 988-992 Howard Street. Continuance of the Public Initiatives Development Corporation after completion of the project is subject to review by the Agency Commission.

There were no seconds to Mr. Dunlop's motions.

Commissioner Romero clarified that any initiation of proposed development by the Public Initiatives Development Corporation (PIDC) would be subject to the approval of the Agency Commission and that there would be a RFP process.

Executive Director Rosen affirmed and added that the Cooperative Agreement and the Bylaws state that the purpose of PIDC was to carry out the Agency Commission's directions. There would be a RFP process unless the Commission directed PIDC to undertake the proposed development itself.

Commissioner Romero stated that his position on the Plaza Hotel had been consistent and still felt that the project should have gone forward a long time ago, but it was time to recognize the political reality and take into account the effects of the Commission's actions on people's lives. The reality was that the Plaza Hotel had been delayed and he had always been open to exploring direct development and he did not second Commissioner Dunlop's motions to amend the bylaws not because he did not support them, but he did not have the opportunity to review them. Mr. Romero hoped that the Executive Director and General Counsel give serious consideration to Mr. Dunlop's suggested amendments and urged the Commission to take appropriate action that causes no further delay in the development of the Plaza Hotel. Mr. Romero stated his support for the items and recommended to proceed expeditiously.

Commissioner Yee expressed that Commissioners should focus on the Agenda items and that the Plaza Hotel exclusive negotiations with TODCO should have never been brought back before the Commission after it was voted down.

President Walker commended staff for its hard work in infusing various layers of accountability for the non-profit development corporation to make sure that the entity was closely connected to the Commission, to the work of the Agency and only act as an agent of the Agency within fairly narrow bounds. Ms. Walker believed that with all of the time that had been spent on the Plaza Hotel, it was time to move forward with the development of the low-income housing units and reminded the Commission to think about the residents of the South of Market community and the need for affordable housing.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. YEE, THAT ITEM 4 (c) RESOLUTION NO. 60-2002, AUTHORIZING THE INCORPORATION OF PUBLIC INITIATIVES DEVELOPMENT CORPORATION, A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION, FOR THE AGENCY'S DIRECT DEVELOPMENT OF LOW AND MODERATE INCOME HOUSING, AND THE PERFORMANCE OF ANY AND ALL ACTIONS NECESSARY FOR

THE FORMATION AND ORGANIZATION OF THE CORPORATION;
ALL REDEVELOPMENT PROJECT AREAS BE ADOPTED, AND ON
ROLL CALL, THE FOLLOWING VOTED "AYE":

Mr. King
Mr. Romero
Mr. Singh
Mr. Yee
Ms. Walker

AND THE FOLLOWING VOTED "NAY":

Mr. Dunlop

AND THE FOLLOWING WERE ABSENT.

Ms. Palamountain

**THE SECRETARY DECLARED THE RESULTS OF THE ROLL
CALL VOTE, FIVE (5) AYES, ONE (1) NAY, AND ONE (1) ABSENT.**

**THE PRESIDENT THEREUPON DECLARED THAT RESOLUTION
NO. 60-2002 WAS ADOPTED.**

ADOPTION: IT WAS MOVED BY MR. YEE, SECONDED BY MR.
KING, THAT ITEM 4 (d) RESOLUTION NO. 61-2002, AUTHORIZING
A COOPERATIVE AGREEMENT WITH PUBLIC INITIATIVES
DEVELOPMENT CORPORATION, A CALIFORNIA NONPROFIT
PUBLIC BENEFIT CORPORATION, FOR THE PROVISION OF
CERTAIN AGENCY STAFF, SERVICES, AND ORGANIZATIONAL
RESOURCES IN SUPPORT OF THE CORPORATION'S ACTIVITIES
AND PURPOSES IN THE DEVELOPMENT OF LOW AND
MODERATE INCOME HOUSING; ALL REDEVELOPMENT PROJECT
AREAS BE ADOPTED, AND ON ROLL CALL, THE FOLLOWING
VOTED "AYE":

Mr. King
Mr. Romero
Mr. Singh
Mr. Yee
Ms. Walker

AND THE FOLLOWING VOTED "NAY":

Mr. Dunlop

AND THE FOLLOWING WERE ABSENT.

Ms. Palamountain

THE SECRETARY DECLARED THE RESULTS OF THE ROLL CALL VOTE, FIVE (5) AYES, ONE (1) NAY, AND ONE (1) ABSENT.

THE PRESIDENT THEREUPON DECLARED THAT RESOLUTION NO. 61-2002 WAS ADOPTED.

ADOPTION: IT WAS MOVED BY MR. YEE, SECONDED BY MR. KING, THAT ITEM 4 (e) RESOLUTION NO. 62-2002, AUTHORIZING A TAX INCREMENT LOAN AGREEMENT WITH PUBLIC INITIATIVES DEVELOPMENT CORPORATION, A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION, IN AN AMOUNT NOT TO EXCEED \$500,000, FOR THE PREDEVELOPMENT AND CONSTRUCTION OF 115 VERY LOW INCOME RENTAL UNITS, GROUND FLOOR COMMERCIAL SPACE AND THE REPLACEMENT OF BINDLESTIFF STUDIOS, AT 988-992 HOWARD STREET; SOUTH OF MARKET EARTHQUAKE RECOVERY REDEVELOPMENT PROJECT AREA BE ADOPTED, AND ON ROLL CALL, THE FOLLOWING VOTED "AYE":

Mr. King
Mr. Romero
Mr. Singh
Mr. Yee
Ms. Walker

AND THE FOLLOWING VOTED "NAY":

Mr. Dunlop

AND THE FOLLOWING WERE ABSENT.

Ms. Palamountain

THE SECRETARY DECLARED THE RESULTS OF THE ROLL CALL VOTE, FIVE (5) AYES, ONE (1) NAY, AND ONE (1) ABSENT.

THE PRESIDENT THEREUPON DECLARED THAT RESOLUTION NO. 62-2002 WAS ADOPTED.

5. MATTERS NOT APPEARING ON AGENDA - None.

6. **PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA BUT AGENCY RELATED MATTERS** - None.

7. **REPORT OF THE PRESIDENT**

- President Walker congratulated and commended Marcia Rosen for being selected to serve on the Fannie Mae Housing Impact Advisory Council.
- Announced that there would be no Commission meeting on April 16, 2002.

8. **REPORT OF THE EXECUTIVE DIRECTOR**

(a) Report on Agency Plan for tenant relocation related to the Agency's ownership and development of the Plaza Hotel, 988-992 Howard Street; South of Market Earthquake Recovery Redevelopment Project Area

- Attending the Fannie Mae Housing Impact Advisory Council in Washington, D.C. on April 11-12, 2002.
- Parcel 732-A RFP deadline on March 25, 2002 – received two proposals, both mixed-use developments with parking. Agency's economic consultant Bay Area Economics was working with staff to ensure that the responses have the necessary economic development component for the development. Staff would provide an initial assessment of the responses received and would schedule a community meeting and a Commission workshop to present the responses.
- Informational memorandum on a proposal to revise the South Beach Harbor policy regarding non-transferability of berths.
- Board of Supervisors hearings:
 - Budget Committee meeting on April 23, 2002, to hold preliminary hearings on the Agency's proposed budget for the 2002/03 fiscal year with additional hearings in the following months.
 - Transportation and Commerce Committee (Supervisor McGoldrick) meeting on April 25, 2002 – continuation of Agency's budget presentation.

- Full Board of Supervisors meeting on April 29, 2002 – Supervisor Chris Daly’s proposed legislation on the Agency governance restructuring.
- Supervisor Aaron Peskin’s legislation on term limits for Agency Commissioners was on a 30-day rule at the Rules and Audit Committee.
- Opening Reception for the South Beach Children’s Play Area on Saturday, April 27, 2002 from 10:00 a.m. to 12:00 noon, at the South Beach Park at Pier 40 (The Embarcadero at Townsend Street)
- Commissioner Yee asked who the sponsors were for the Dudley Hotel, Delta Hotel and the 8th and Howard project.

Executive Director Rosen informed the Commission that the sponsor for the Dudley and Delta Hotels was TODCO, and Citizens Housing Corporation and TNDC were co-sponsors of the 8th and Howard project.

9. COMMISSIONERS QUESTIONS AND MATTERS

- Commissioner Singh asked why the meeting of April 16th was cancelled without the consensus of the whole Commission. Mr. Singh recalled that in the past, there had to be a consensus from the Commission when meetings were cancelled.
- President Walker responded that the decision to cancel the April 16th meeting was made at the Agenda-setting meeting and understood Commissioner Singh’s point about consensus and would take it into consideration.
- Commissioner Yee supported Commissioner Singh’s statements and asked the Chair what she meant by “take it into consideration.”
- President Walker stated that Commissioner Singh’s suggestion would be taken into consideration and thought about and move forward. Ms. Walker recalled that in the past few months Commissioners expressed concern with the length and pace of the meetings and those had been taken into account when scheduling the meetings, and have been focused on the efficiency of the meetings. Having only one item on the Agenda that may take 15 minutes was not an effective use of the public nor the staff and Commission’s time.
- Commissioner Yee opined that the decision to cancel meetings should not just be made by the President and Vice President, but by

the whole Commission. Mr. Yee suggested that the Chair consider talking with all of the Commissioners before deciding to cancel a meeting.

- President Walker stated that she would consult with General Counsel about statutes or regulations covering the issue. It was not clear at what point the President might choose to call other Commissioners or not, or continue to use Presidential prerogative. Ms. Walker acknowledged Commissioners dissent on the use of the Presidential prerogative and would take that into account.
- Commissioner Yee also recalled that the RFP modification, which he suggested and that the Commission discussed months ago, but had not yet been accomplished and suggested a discussion in the near future.
- President Walker stated that since the RFP matter pre-dated her appointment to the Commission, she would follow-up directly and get an historical and background information.
- Commissioner King disagreed with President Walker and stated that it was not the President's prerogative to decide solely on cancellation of meetings. The President's prerogative was to set the Agenda along with the Vice President and the Executive Director, and then bring the Agenda back to the Commission for its consensus. Mr. King was disturbed when he found out that the April 16th meeting had been cancelled without any discussion with the Commission and such matters should be discussed with the Commission before announcing it to the public.
- Commissioner Romero stated that for the past four years that he had been a Commissioner, the Agenda had always been determined at Agenda-setting and the way he learned about cancelled meetings was during the Commission meetings when it was announced by the President or the Executive Director, the same way that President Walker had been doing it. Mr. Romero added that he had never received a telephone call from the President or Vice President about what he thought about canceling a meeting. Mr. Romero recalled that the matter had been discussed before, in fact every few months, even when the Commission had a parliamentarian in attendance. Parliamentarians that have served the Commission have observed that the Agency had a unique practice of delegating the authority to set the Agenda to the President and Vice President. If Commissioners had objections to the cancelled meeting, they could make a motion to reschedule the meeting and have a vote of the

Commission. Mr. Romero did not object to the cancellation of meetings, nor the Agenda-setting practice.

- Commissioner Singh recalled that he had served as President as well and never made unilateral decisions and always sought the consensus of the Commission. Mr. Singh believed that the President's duty was to facilitate the meetings and to set the Agenda and nothing more.
- President Walker assured Commissioners that she would continue working with the Executive Director and Commission Secretary to provide as much advance notice as possible.
- Commissioner Singh recalled that President Walker stated that there was only one item scheduled for the April 16th meeting, and that matter could have been discussed at a Commission meeting with all of the Commissioners being able to participate.
- Commissioner King asked the President to clarify what she intended to do about scheduling meetings and obtaining consensus from the Commission.
- President Walker responded that she would first consult with General Counsel as to statutes or regulations covering the scheduling of meetings, but that she had not yet decided to relinquish her prerogative as President, which she understood was used in the past by previous Presidents to cancel meetings. Ms. Walker added that she would endeavor to provide as much advance notice to the Commissioners as possible.
- Commissioner Romero recalled that former Director Jim Morales under his Director's Report, would point to the forward calendar and advise the Commission that in two or three weeks, there was only one item scheduled and if there were no objections, there would not be a meeting on that day. That would happen occasionally but just as often, it was determined at the Agenda-setting.
- Commissioner Dunlop was saddened and disappointed that the Commission had spent more time on the issue of scheduling meetings on the day that Commission decided to undertake direct development.

Executive Director Rosen added that there appeared to be a sufficient number of items initially calendared for April 16th, but things changed and negotiations for the items had not been completed and only one item was left on the April 16th Agenda. It would not have been appropriate to

Minutes of a Regular Meeting April 9, 2002

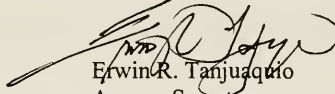
have a Commission meeting for just one item on the calendar. Staff would continue to plan ahead to accommodate the Commissioners' schedule.

10. **CLOSED SESSION** None.

11. **ADJOURNMENT**

It was moved by Mr. Dunlop, seconded by Mr. Singh, and unanimously carried that the meeting be adjourned. The meeting adjourned at 5:18 p.m.

Respectfully submitted,



Erwin R. Tanjuaquio
Agency Secretary

APPROVED:

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
23RD DAY OF APRIL 2002

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at City Hall, 1 Dr. Carlton B. Goodlett Place, Room 416, in the City of San Francisco, California, at 4:00p.m. on the 23rd day of April 2002, at the place and date duly established for holding of such a meeting.

President Chantel L. Walker called the meeting to order at 4:05 p.m. President Walker welcomed members of the public and asked that cell phones and pagers be turned off during the meeting.

Commission Secretary Erwin R. Tanjuaquio informed the Commission that the video monitors were not operable, that all of the microphones were live at all times and that Commissioners wishing to speak should obtain the Chair's attention by either raising their hands or speaking.

1. Recognition of a Quorum

The Commission Secretary announced the presence of a quorum with the following Commissioners present.

Chantel L. Walker, President
Kathryn C. Palamountain, Vice President
Leroy King
Ramon E. Romero
Darshan Singh
Benny Y. Yee

DOCUMENTS DEPT.

And the following were absent:

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Mark Dunlop

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Marcia Rosen, Executive Director and staff members were also present.

- 2. Report on actions taken at previous Closed Session meeting, if any. None.**
- 3. Matters of Unfinished Business: None.**
- 4. Matters Of New Business**

CONSENT AGENDA

- 4 (a) Approval of Minutes: Meetings of April 9, 2002.**

- 4 (b) Resolution No. 63-2002, Authorizing an Expenditure of funds not to exceed \$45,000 for the Purchase of two replacement pickup trucks for Agency Property Management
- 4 (c) Resolution No. 64-2002, Authorizing a First Amendment to the Personal Services Contract with Darby J. Kremers, which increases the amount of compensation by \$32,750, for a total aggregate amount not to exceed \$52,500, and extends the time of performance to September 30, 2002, for Real Estate Consulting Services; All Redevelopment Project and Survey Areas

Commissioner King asked that Consent Agenda Item 4 (a), Approval of Minutes: Meeting of April 9, 2002, be withdrawn from the Consent Agenda.

Commissioner Yee asked that Consent Agenda Item 4 (c) Resolution No. 64-2002, Authorizing a First Amendment to the Personal Services Contract with Darby J. Kremers, which increases the amount of compensation by \$32,750, for a total aggregate amount not to exceed \$52,500, and extends the time of performance to September 30, 2002, for Real Estate Consulting Services; All Redevelopment Project and Survey Areas, be withdrawn from the Consent Agenda.

The Commission voted on the remaining Consent Agenda Item 4 (b).

ADOPTION: IT WAS MOVED BY MR. ROMERO, SECONDED BY MS. PALAMOUNTAIN, AND UNANIMOUSLY CARRIED (MR. DUNLOP ABSENT) THAT CONSENT AGENDA ITEM 4 (b) RESOLUTION NO. 63-2002, AUTHORIZING AN EXPENDITURE OF FUNDS NOT TO EXCEED \$45,000 FOR THE PURCHASE OF TWO REPLACEMENT PICKUP TRUCKS FOR AGENCY PROPERTY MANAGEMENT, BE ADOPTED.

The Commission deliberated on Items 4 (a) and 4 (b)

- 4 (a) Approval of Minutes: Meetings of April 9, 2002.

Commissioner King stated that the April 9th minutes were incomplete and not correct because they did not reflect his statements about the Chair's right to cancel meetings. Mr. King requested copies of the audiocassette tapes of the April 9th minutes.

Commission Secretary Erwin R. Tanjuaquio stated that he would provide duplicate audiocassette tapes of the April 9th meeting to the Commissioners.

Commissioner Romero recalled the lengthy discussion at the April 9th meeting and commented that the meeting minutes have traditionally been a summary of the Commission's deliberations and not a verbatim account of Commissioners' statements. Mr. Romero opined that it would be better to deal directly with the issue and Commissioners have the opportunity to put forth a motion regarding the scheduling of meetings.

Commissioner King stated that all he wanted was the opportunity to listen to the tapes and determine what statements were left out and then recommend revisions of the minutes.

President Walker suggested that Commissioners listen to the tapes and inform the Commission Secretary of revisions to the April 9th minutes.

Commissioner Yee agreed with Commissioner King's comments and stated that the Commission Secretary had always been very accurate with the meeting minutes, but that there seemed to be a discrepancy with the April 9th minutes where Commissioner King and his statements were omitted. Mr. Yee advised the Commission Secretary to maintain his practice of summarizing Commissioners' statements and to provide the tapes as soon as possible.

There was no motion to approve the April 9th minutes and no action was taken.

- 4 (c) Resolution No. 64-2002, Authorizing a First Amendment to the Personal Services Contract with Darby J. Kremers, which increases the amount of compensation by \$32,750, for a total aggregate amount not to exceed \$52,500, and extends the time of performance to September 30, 2002, for Real Estate Consulting Services; All Redevelopment Project and Survey Areas

Commissioner Yee did not recall the Commission authorizing a contract for Darby Kremers and asked if the Agency had a practice or policy of hiring retired employees.

Executive Director Rosen understood that contracting with retired Agency employees had been done before and Darby Kremers' contract was the first under her administration, and that there was good justification for the contract as Darby Kremers' position had not yet been filled. Ms. Rosen added that Ms. Kremers had substantial experience and history with major real estate transactions that the Agency was currently involved with. The reason that Commissioner Yee did not recall seeing the initial contract was because staff had hoped to not exceed the \$20,000 procurement authority of the Executive Director, but events beyond staff's control resulted in the necessity for continued additional services that required a first amendment to Ms. Kremers' contract. Ms. Rosen urged the Commission to support the first amendment to Ms. Kremers' contract.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. ROMERO, AND UNANIMOUSLY CARRIED (MR. DUNLOP ABSENT) THAT ITEM 4 (c) RESOLUTION NO. 64-2002, AUTHORIZING A FIRST AMENDMENT TO THE PERSONAL SERVICES CONTRACT WITH DARBY J. KREMERS, WHICH INCREASES THE AMOUNT OF COMPENSATION BY \$32,750, FOR A TOTAL AGGREGATE AMOUNT NOT TO EXCEED \$52,500, AND EXTENDS THE TIME OF PERFORMANCE TO SEPTEMBER 30, 2002, FOR REAL ESTATE CONSULTING SERVICES; ALL REDEVELOPMENT PROJECT AND SURVEY AREAS, BE ADOPTED.

REGULAR AGENDA

- 4 (d) Resolution No. 65-2002, Authorizing a Personal Services Contract with Robert W. Poyas, Inc., a California corporation, in an amount not to exceed \$ 323,000; for Landscape Maintenance Services in Community Facility District No. 1; Rincon Point South Beach Redevelopment Project Area

Presenters: June Bartholomew (Agency staff)

Speakers: Martin Fay

Commissioner Singh asked if this was the first contract with Robert W. Poyas and the number of employees. Mr. Poyas responded affirmatively and that there were 25 employees with the company.

ADOPTION: IT WAS MOVED BY MR. SINGH, SECONDED BY MR. YEE, AND UNANIMOUSLY CARRIED (MR. DUNLOP ABSENT) THAT ITEM 4 (d) RESOLUTION NO. 65-2002, AUTHORIZING A PERSONAL SERVICES CONTRACT WITH ROBERT W. POYAS, INC., A CALIFORNIA CORPORATION, IN AN AMOUNT NOT TO EXCEED \$ 323,000; FOR LANDSCAPE MAINTENANCE SERVICES IN COMMUNITY FACILITY DISTRICT NO. 1; RINCON POINT SOUTH BEACH REDEVELOPMENT PROJECT AREA, BE ADOPTED.

- 4 (e) Resolution No. 66-2002, Authorizing a Grant Agreement with the Filipino-American Development Foundation, a California nonprofit public benefit corporation, in an amount not to exceed \$131,000, for the term of May 1, 2002 to December 31, 2003, for the Planning and Development of the Bayanihan Community Center at the Delta Hotel located at 80-88 Sixth Street; South of Market Earthquake Recovery Redevelopment Project Area

Presenters: William Carney, Michelle Ponce (Agency staff), Bernadette Sy, Ligaya Avenida (Filipino-American Development Foundation)

Speakers: Bill Sorro, Luisa Antonio, Hanmin Liu, Yolanda Mirandilla, Alice Bulos, Don Marcos, Helen Bautista

Commissioner Singh recalled that he had previously suggested to lengthen the lease with the Filipino-American Development Foundation and reiterated his desire for a 50-year lease instead of just 20 years. Mr. Singh acknowledged the presence of Marivic Bamba, Don Marcos and Alice Bulos.

Commissioner Yee remembered voting in favor of the Bayanihan Community Center in 1999 and recalled that it was a unanimous vote by the Commission. Mr. Yee also recalled the Filipino-American community's struggles with the International Hotel and remarked that the Bayanihan Community Center was a very good investment by the Agency. Mr. Yee shared his delight about the project and that the Agency should move forward with building a space for Bindlestiff Studio along with the 115 low-income units in the Plaza Hotel and that the development should reflect the Filipino-American community's needs for a variety of unit sizes. The Commission remained committed to the Filipino-American community.

Commissioner Romero thanked the leaders of the Filipino-American community for attending the meeting and acknowledged the tremendous support from the community for a very worthwhile project. Mr. Romero was very pleased to see the support for the project and remarked that the Agency's investment of \$300,000 was a small amount of money for the significant community center in South of Market.

Commissioner King was very proud of the Bayanihan Community Center and the Filipino-American community. Mr. King recalled the battle of the International Hotel many years ago and stated that he would like to see more development projects by the Filipino-American community and expressed his support and commitment to working together. Mr. King thanked members of the Filipino-American community who attended the meeting.

Commissioner Palamountain supported Commissioner King's sentiments that the revitalization of South of Market should not be limited to this project at the corner of Sixth and Mission Streets and thanked the Sy family for their vision for the Delta Hotel, as well as TODCO for following through to make the project a reality. Ms. Palamountain shared that this was the second time since being on the Commission that she was honored and privileged to watch the South of Market community come out in strong support with a strong Filipino contingent for how their community should be developed, and that had been a very important learning experience for her in community organizing and that she had been completely awed and impressed with the power and voice of the Filipino community. Ms. Palamountain thanked the community for taking the time to educate the Commission with the important needs of the Filipino-American community.

Commissioner Yee concurred with Commissioner Singh's earlier suggestion to extend the lease to 50 years and lent his support.

President Walker recalled the fire in 1997 and was happy to see the progress that had been made and that the project was moving forward with the Bayanihan Community Center on the ground floor. Ms. Walker thanked everyone for coming to the meeting and acknowledged the many letters of support that were sent to the Commission.

ADOPTION: IT WAS MOVED BY MR. SINGH, SECONDED BY MR. YEE, AND UNANIMOUSLY CARRIED (MR. DUNLOP ABSENT) THAT ITEM 4 (e) RESOLUTION NO. 66-2002, AUTHORIZING A GRANT AGREEMENT WITH THE FILIPINO-AMERICAN DEVELOPMENT FOUNDATION, A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION, IN AN AMOUNT NOT TO EXCEED \$131,000, FOR THE TERM OF MAY 1, 2002 TO DECEMBER 31, 2003, FOR THE PLANNING AND DEVELOPMENT OF THE BAYANIHAN COMMUNITY CENTER AT THE DELTA HOTEL LOCATED AT 80-88 SIXTH STREET; SOUTH OF MARKET EARTHQUAKE RECOVERY REDEVELOPMENT PROJECT AREA, BE ADOPTED.

- 4 (f) Resolution No. 67-2002, Authorizing a Grant Agreement with the San Francisco Juneteenth Festival Committee for a Grant in an amount not to exceed \$75,000 to Produce and Manage the San Francisco 2002 Juneteenth Festival and Authorizing a Fiscal Agent Contract with Agape, Inc., a California non-profit public benefit corporation, to serve as Fiscal Agent to the Committee; Western Addition A-2 Redevelopment Project Area

Presenters: Shirley Wysinger (Agency staff)

Speakers: Ace Washington, Mary Helen Rogers, Dexter Woods, Essie Collins, Carmen Johnson, Shelly Bell

Commissioner Yee was glad to see Mary Rogers back on her feet and shared that while Mrs. Rogers was sick, he and Commissioner King sent her flowers. Mr. Yee stated that the Juneteenth Festival was a wonderful event and lent his support. Mr. Yee noted that there was only \$3,000 in corporate funds and offered to help out next year in securing additional corporate financial support.

Commissioner Singh thanked Mary Rogers for coming and was glad to see her in good health.

President Walker lent her support for the festival and looked forward to the event.

ADOPTION: IT WAS MOVED BY MR. YEE, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED (MR. DUNLOP ABSENT) THAT ITEM 4 (f) RESOLUTION NO. 67-2002, AUTHORIZING A GRANT AGREEMENT WITH THE SAN FRANCISCO JUNETEENTH FESTIVAL COMMITTEE FOR A GRANT IN AN AMOUNT NOT TO EXCEED \$75,000 TO PRODUCE AND MANAGE THE SAN FRANCISCO 2002 JUNETEENTH FESTIVAL AND AUTHORIZING A FISCAL AGENT CONTRACT WITH AGAPE, INC., A CALIFORNIA NON-PROFIT PUBLIC BENEFIT CORPORATION, TO SERVE AS FISCAL AGENT TO THE COMMITTEE; WESTERN ADDITION A-2 REDEVELOPMENT PROJECT AREA, BE ADOPTED.

Items 4 (g) and (h) were presented together and acted upon separately.

- 4 (g)** Resolution No. 68-2002, Authoring the Expenditure of Agency Funds for Outside Counsel Real Estate Panel in an amount not to exceed \$892,000 for an aggregate total amount of \$1,802,000 for Yerba Buena Center CB-1, Hunters Point Shipyard and Miscellaneous Real Estate Issues; All Redevelopment Project Areas
- 4 (h)** Resolution No. 69-2002, Approving the Revision of the Agency's Purchasing Policy for Legal Contracts to Defend Complaints, Claims, and Litigation filed against the Agency; All Redevelopment Project Areas

Presenters: Bertha A. Ontiveros (Agency staff)

Speakers: Mary Helen Rogers

Commissioner King recalled that he was opposed to the hiring of outside counsel when it was first proposed 10 years ago and that he was still opposed to the hiring. Mr. King stated that the authority to hire outside counsel was taken away from the Commission where previously the law firms would come before the Commission for its consideration and approval. Mr. King agreed with Mary Rogers that there was no affirmative action with the outside law firms and he did not see any minority lawyers in attendance at the meeting. Mr. King believed that specific legal contracts should be brought before the Commission on a project-by-project basis. Mr. King stated that he was not opposed to granting long-term contracts but that the contracts should come before the Commission. Mr. King expressed his opposition to the items.

Commissioner Yee expressed strong reservations on the proposed revisions to the Agency's Purchasing Policy because the Commission did not have the opportunity to adequately review the proposed changes. Mr. Yee advised that staff should provide advance notice to the Commission on such an important matter.

Commissioner Palamountain stated that hiring outside lawyers made sense for the Agency because it was not necessary to employ specialized staff attorneys for specialized needs such as bond counsel and for the Shipyard negotiations, and that it made good sense to spend public dollars on outside counsel. Ms. Palamountain commented about the claims that the Agency's outside counsel did not have diversity and shared that the law firm of Morrison and Forrester was the co-counsel for the Williams vs. State case which challenged the unconstitutionality of California Schools and specifically argued that schools in low-income and minority areas were under-funded by the State and violates the State's obligations under the Constitution to fully fund those schools and make sure that children from across the economic and racial spectrum get an adequate education and participate equally. Another example was the law firm of McCutchen who was ranked fifth in the January edition of the Minority Law Journal as one of the 25 most diverse law firms in America. Ms. Palamountain was confident that the Agency's outside counsel were committed to recruiting, maintaining, promoting and making partners of attorneys from various ethnic backgrounds. Ms. Palamountain thought that the Commission needed additional time to consider the requested expenditure and revision of the Purchasing Policy and put forth a motion to table the matters for one week.

Commissioner Romero seconded the motion to table. Mr. Romero recalled that the Commission seems to have the debate about hiring outside counsel every year and stated that he was a Mexican-American lawyer with 20 years of experience and understood the pressures upon law firms to hire a diverse workforce. Mr. Romero was surprised and amazed at the level of diversity that the law firms have achieved and credited the Agency's General Counsel for the noble efforts. Mr. Romero shared that he specialized in labor law and collective bargaining litigation representing schoolteachers, and that he knew the other 15 lawyers in the state who specialized in that particular field. That was an indication of the highly specialized nature of legal practice and it was impressive to see staff's efforts in achieving the involvement and diversity among the law firms. Mr. Romero felt it was important to have access to specialized outside counsel in addition to in-house staff attorneys because special needs ranging from labor and employment, eminent domain, redevelopment issues, even personal injury cases require specialized counsel. Mr. Romero shared that over 60% of the legal work at his job was contracted out and that made good economic sense. Mr. Romero hoped that the items were not delayed any further because that would affect the important work of the Agency.

Commissioner Singh asked why the matters were being tabled and suggested that the Commission vote on the items.

Commissioner Yee did not object to hiring good lawyers to help do the important work of the Agency, but reiterated his concern with the proposed revision of the Agency's Purchasing Policy and preferred a "heads-up" from staff about the proposed changes. Mr. Yee shared that Commissioner Singh would not be available at the next meeting on April 30th. Mr. Singh affirmed that he would not be attending the April 30th meeting.

Executive Director Rosen stressed the urgency of having the real estate panel authorized because many of the projects were of the highest priority for the City and the Agency. For example, the Mayor's Office of Economic Development and the developer for the Shipyard were very anxious for the Agency to retain counsel to help with the disposition and the preparation of over a dozen very complex documents in order to conclude the negotiations. Ms. Rosen suggested that the Commission take action on the expenditure of funds for outside counsel real estate panel, item 4 (g) and if the Commission need additional time on Item 4 (h), the proposed revision to the Purchasing Policy, that item could be continued to the first meeting in May. Ms. Rosen reiterated that staff had heard the Commission's concerns about the diversity of not only the professional services contracts but also of Agency staff, and stated that given the diversity of the legal profession within the specialties that the Agency need, the Agency had achieved a very diverse outside counsel pool and noted that the Agency already had a diverse legal staff of all ethnic communities represented. The Agency's General Counsel had done a very good job of finding talent from within all communities and all types of law firms to achieve the objectives of the Commission. Ms. Rosen urged the Commission to move forward with item 4 (g) even if item 4 (h) were to be continued.

Commissioner Yee asked why there were no African-American lawyers in the outside counsel panel.

General Counsel Bertha A. Ontiveros responded that the lawyers in attendance at the meeting were part of the real estate panel of outside counsel. The Agency have had African-Americans work on Agency projects, including Venessa Henlon, Kelly Brown who worked at Morrison and Forrester and were the primary attorneys who drafted the documents for the Bloomingdale's project. These attorneys were expected to work on other Agency projects. In addition, there had been two Asian-Americans who have worked on the project, Adria Chang from Steefel Levitt and Weiss as well as Doug Chan from Chan Doi and Leal. There were not a lot of minority-owned law firms specializing in real estate work and the Agency had used the smaller firms that specialized in real estate work. Ms. Ontiveros pointed out that three of the five law firms that the Agency had used for bond issuances were minority-owned - two by African-Americans, Webster and Anderson who worked on some of the Agency's tax allocation bonds and housing bonds, as well as Bill Lofton from Lofton and Jennings

who likewise had worked on Agency projects. Pam Jue, an Asian American had also worked on bond issuances, but was retiring soon. In terms of litigation firms, Ericson Beasley Hewitt and Wilson is an African-American owned firm with Alice Beasley, an African-American lawyer working on eminent domain issues. Ms. Ontiveros noted that the in-house deputy General Counsel that supervises all claims and litigation for the Agency was Andrico Penick, who is an African-American. The MBE firm Lafayette and Kumagai had worked on numerous projects, including the foreclosures at 820 O'Farrell and the South Beach Harbor. A minority-owned firm, Gutierrez and Associates, recently merged with Sideman and Bancroft and has done work with the Agency for a long time. The Agency had always tried to spread the work around to small and large firms, minority-owned and non-minority-owned firms, and has had African-Americans, Asian-Americans and Latinos working on Agency projects. Ms. Ontiveros stated that she understood the Commission's desire for diversity, and she had a commitment to diversity and was comfortable with bringing her track record in hiring a diverse group of law firms and a diverse group of attorneys that work on the Agency's projects.

Commissioner Palamountain stated that since Commissioner Singh would not be in attendance at the April 30th meeting and in light of the fact that delaying the items would do harm to the best interests of the Agency, she withdrew her motion to table the items for one week, to the meeting of April 30th.

Commissioner Romero seconded the withdrawal.

Commissioner King stated that he would like the matters continued for three weeks so that he may have time to study the material. Mr. King added that he was not opposed to hiring the law firms but that the contracts should come before the Commission for approval.

Commissioner Romero recalled that the Executive Director had suggested that the Commission move forward with item 4 (g) that would authorize the expenditure and perhaps continue item 4 (h) the proposed revision of the Purchasing policy.

Executive Director Rosen stated that the Commission in January of 2000 approved the panel of real estate counsel and the action being sought from the Commission was not to authorize a new panel of law firms, but to authorize payment to the existing panel which was working on an ongoing basis on a multitude of important Agency projects. The matter before the Commission was to authorize the additional expenditure of funds to pay for work that was already authorized for the panel that the Commission had already selected, and the funds were in the Agency's budget. Item 4 (h) was a recommended change to the Procurement Policy to effect future

procurement of legal counsel when the Agency was sued or claims filed against it. Ms. Rosen recommended that the Commission proceed with item 4 (g).

Commissioner Yee put forth a motion to adopt item 4 (g). Commissioner Singh seconded the motion.

ADOPTION: IT WAS MOVED BY MR. YEE, SECONDED BY MR. SINGH, AND UNANIMOUSLY CARRIED (MR. DUNLOP ABSENT) THAT ITEM 4 (g) RESOLUTION NO. 68-2002, AUTHORIZING THE EXPENDITURE OF AGENCY FUNDS FOR OUTSIDE COUNSEL REAL ESTATE PANEL IN AN AMOUNT NOT TO EXCEED \$892,000 FOR AN AGGREGATE TOTAL AMOUNT OF \$1,802,000 FOR YERBA BUENA CENTER CB-1, HUNTERS POINT SHIPYARD AND MISCELLANEOUS REAL ESTATE ISSUES; ALL REDEVELOPMENT PROJECT AREAS, BE ADOPTED.

President Walker requested further clarification on the proposed revision to the Purchasing Policy, specifically to differentiate between the proposed change and the existing policy. Ms. Walker also requested an overview of the memorandum on pro-bono legal work provided to the Agency and to include details on how the firms' work benefit the public.

MOTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. YEE, AND UNANIMOUSLY CARRIED (MR. DUNLOP AND MR. SINGH ABSENT) THAT ITEM 4 (h) RESOLUTION NO. 69-2002, APPROVING THE REVISION OF THE AGENCY'S PURCHASING POLICY FOR LEGAL CONTRACTS TO DEFEND COMPLAINTS, CLAIMS, AND LITIGATION FILED AGAINST THE AGENCY; ALL REDEVELOPMENT PROJECT AREAS, BE CONTINUED FOR THREE WEEKS TO THE COMMISSION MEETING OF MAY 14, 2002.

- 4 (i) Workshop to provide an Update on the pending Bayview Hunters Point Redevelopment Plan Amendments; Bayview Hunters Point Redevelopment Survey Area

Presenters: Stan Muraoka (Agency staff)

Speakers: Doris M. Vincent

Commissioner Singh thanked and commended Mr. Muraoka for an excellent presentation and for staff's hard work.

Commissioner Palamountain shared her excitement about the activity nodes and the tremendous amount of work that had gone in to the planning for Bayview and thanked the Project Area Committee and Agency staff for their hard work. Ms. Palamountain raised a concern with one of the stated goals

for Bayview to develop locally owned small business while there was a corresponding concern from the community that local folks do not have the necessary capital to purchase property and own small businesses in the Bayview. There was also discussion about the \$100 million retail leakage from Bayview due to a lack of local small neighborhood retail businesses. Ms. Palamountain noted that one of the keys to a successful economic development program in Bayview was the retention and establishment of locally owned small business and did not see the link between implementing such a program and the community's concern with the lack of capital necessary for business development. Ms. Palamountain observed that it would be a shame to have the activity nodes developed and instead of having locally owned small businesses along Third Street, to have franchises like Starbucks and Borders move into the community.

Mr. Stan Muraoka responded that one of the ways to address the challenge of developing a locally owned business program was to have community-identified activity nodes specifically for the purpose of providing space for locally owned businesses, and for the Commission to adopt specific development programs for the activity nodes. The parcels along Third Street are typical of commercial strips in other San Francisco neighborhoods and they present both challenges and opportunities. The challenge was to create a momentum for revitalizing Third Street working with the Agency and the Project Area Committee (PAC). The opportunity was the fact that private individuals both residing and not residing in the Bayview owned a lot of the parcels and continue to hold on to the properties in the hopes of a revitalized Third Street and to participate in that revitalization. The thrust of the development program was to find ways to create small business opportunities that would create an economic engine towards revitalization. Agency staff and members of the PAC have looked at prototypes of examples such as the small business resurgence along Ocean Avenue, the thriving small business along Geary Boulevard and Clement Street and Chestnut Street that all served as models for Third Street. Other examples outside of San Francisco include Fourth Street in Berkeley where the establishments were primarily small business and the largest business was Pottery Barn, which was not a large chain store. These businesses have created a strong economic engine for the City of Berkeley, even more than Shattuck or Telegraph Avenues. In Lafayette, along Mt. Diablo Boulevard, they had experienced a similar market leakage as Third Street, where businesses were leaving the area. Two private entrepreneurs invested in the area and in the process created small spaces to attract small local businesses. Mr. Muraoka stated that these were the types of strategies that were being looked at for the small business development in the Bayview.

Commissioner Palamountain commented that the strategies were a good starting point and supported the vision and urged staff to employ a multi-

faceted approach to ensure success. Ms. Palamountain thanked the PAC and staff for their hard work.

Commissioner Yee thanked Mr. Muraoka for an outstanding presentation and urged him to keep up the good work and observed that Mr. Muraoka should get a pay raise from the Executive Director.

President Walker suggested considering partnerships between non-profit and for-profit organizations that support community-based development as well as capacity building. Ms. Walker noted that there was a high rate of homeownership in the Bayview and suggested looking at how these homes were maintained and retained, including the idea of land trusts, and to support the homeowners in retaining the land so that the socio-economic character of the community did not get lost. Ms. Walker thanked staff for the informative workshop.

5. **MATTERS NOT APPEARING ON AGENDA** - None.

6. **PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA BUT AGENCY RELATED MATTERS**

- Gwen Lane, Crystal E. Morris, Felisha Madaris, Regina Rodney, Chris Lin, Fu-Lien Chang, Mary Helen Rogers, Stan Vossler, Dave Osgood, Ozel Griffin, Lucrezia Roberts, Doris M. Vincent, Liz Hirschhorn

Note: Speakers Lane, Morris, Madaris, Rodney, Vossler, Griffin, Roberts and Vincent addressed the Commission on Candlestick View.

Speakers Lin, Chang, Hirschhorn addressed the Commission on the Engineering Panel matter.

Speaker Rogers addressed the Commission on the Buchanan Mall and the Fillmore Names project.

Speaker Osgood addressed the Commission on the Rincon Center Below Market Rate program.

7. REPORT OF THE PRESIDENT

- President Walker expressed that it was wonderful to see many items on the Agenda that brought out members of the public from different backgrounds and issues. Ms. Walker stated that it was important to hear public comment because that was why the Commission held public meetings and thanked the public for taking the time to come to the meeting and address the Commission about their concerns and that their input was greatly appreciated.

8. REPORT OF THE EXECUTIVE DIRECTOR

- Board of Supervisors Budget Committee meeting earlier in the day (April 23rd) – presented the Agency’s 2002/03 proposed budget. At that meeting, Supervisor McGoldrick announced his intent to call for a hearing on the Agency’s direct development of affordable housing, but a hearing date was not scheduled.
- April 25th, Board of Supervisors Transportation and Commerce Committee meeting to continue the Agency’s presentation of the current budget, specifically for South of Market, Mid-Market, Bayview Hunters Point and Transbay.
- April 29th, full Board of Supervisors meeting to hear Supervisor Daly’s legislation regarding Agency governance continued from March 25th.
- Informational Memorandum on the Agency’s analysis of Supervisor Daly’s legislation and the document was available to members of the public by calling the Agency.
- April 22nd full Board of Supervisors meeting – Supervisor McGoldrick introduced legislation that would also restructure the Agency’s governance, but it had not been assigned to Committee.

Ms. Rosen informed the Commission that the Commission Secretary would post the Board of Supervisors meetings (that affect the Agency) on the Agency’s web site to provide access to members of the public.

- April 24th, the State legislature would be considering legislation (AB 2964) that would help with the City and Agency’s redevelopment efforts of the Shipyard.
- San Francisco Chronicle articles regarding State housing grants for affordable housing supportive services benefiting Mary Elizabeth Inn and the Ambassador Hotel.

- April 25th – 20th Anniversary celebration of Dolores Street Community Services where Chris Harris of the Agency's housing staff was receiving an award for her good work. Ms. Rosen read a Bay Area Reporter article about the celebration and the award for Chris Harris, lauding her exemplary efforts in the development and licensing of the Richard M. Cohen residence. Ms. Rosen asked the Commission to join her in congratulating Chris Harris for the well-deserved award.

9. **COMMISSIONERS QUESTIONS AND MATTERS**

- Commissioner Yee expressed concerns with the public's testimony regarding Candlestick View, in particular the 14% interest being charged to the homeowners and thought that might be illegal and perhaps the truth in lending was not properly disclosed. Mr. Yee advised staff to study the contracts and observed that the homeowners could not afford such a high interest rate and asked staff to find a solution to assist the homeowners. On the issue of the Engineering Panel, Mr. Yee noted that the four engineering firms went through a selection process that started in August 2001 and staff should reconsider the selection process that would take less time. Mr. Yee cautioned staff to treat everyone equally and recommended that staff accept the four engineering firms that successfully responded and were initially selected.
- Commissioner Singh agreed with Commissioner Yee's statements regarding the Candlestick View matter and also agreed with the selection of the Asian-American engineering firms for the Engineering Panel. Mr. Singh asked for staff's response to Dave Osgood's continuing concerns with the Rincon Center Below Market Rate program. Mr. Singh also asked about the Candlestick View contracts.

Executive Director Rosen responded that she had written a letter to Mr. Osgood informing him that there was not a basis for changing the provisions of the Housing Plan that was adopted by the Commission and copies of the letter were provided to the Commission. With regard to Candlestick View, Ms. Rosen explained that there were two forms of loan agreements. The terms of the loan agreement that was approved by FHA and Fannie Mae and the secondary market for use in the Agency's Affordable Homeownership Program changed during the marketing of the development, and the Agency had to make its documents consistent with the changed terms of the loan agreements. The key benefit for the homeowners was that they would have a share in the equity of their homes so long as they remain in the residences. Ms. Rosen advised the

Commission that the informational memorandum provided all of the details of the Candlestick View financing and if Commissioners had additional questions, she would be happy to respond.

- Commissioner King asked the Executive Director if staff was looking at the Candlestick View matter

Executive Director Rosen responded that staff had prepared an informational memorandum in response to the letter from Candlestick View homeowners and recommended that the Commission schedule a closed session meeting to discuss the matter.

- President Walker suggested a closed session meeting to discuss the Candlestick View matter on the first meeting in May (May 14th).
- Commissioner Palamountain welcomed the closed session discussion regarding Candlestick View and also suggested an open discussion about the Agency's Affordable Homeownership policy. Ms. Palamountain requested an update on the Shipyard tenants' concerns with the dust problem from trucks. Inquired about the Navy's final Manganese document (for Parcel B) that had been rejected by the regulators and how that affects the transfer of Parcel A. Community's grave disappointment with the finding of suitability of transfer presentation done by the Navy to the Restoration Advisory Board, where there was not a lot of information provided to the community and the presentation was not adequate. Ms. Palamountain shared that she ran with the Leukemia Society to honor people afflicted with the disease and one of the society's honorees, a young lady in her twenties, Sarah Pope passed away last week. Ms. Palamountain requested for a moment of silence in honor of Sarah and to celebrate her short, but well-lived life.
- Commissioner Romero requested that a workshop on the Agency's Affordable Homeownership Program be scheduled at a future Commission meeting.
- Commissioner Yee commented that the Agency should retain the four engineering firms for a period of three-years on an as-needed basis, which would not cost the Agency and pointed out that the Commission earlier approved the expenditures for the law firms and the engineering firms should be treated the same way. Mr. Yee advised to maintain the Agency's policy of treating everyone equally.

Executive Director Rosen stated that she had prepared an informational memorandum on the matter and that there was a cost to the Agency in retaining a consultant team of multi-disciplinary firms because staff had determined that the range of engineering services that the Agency would require would be best served by the smaller sub-consultants than the larger prime consultants. The smaller firms that were invited to be a member of a consultant team headed by a prime consultant would not have the opportunity to contract directly with the Agency. Moreover, if the Agency required the services of one of the sub-consultants, it would have to contract with the prime consultant who would then sub-contract with one of the sub-consultants resulting in additional administrative costs above the costs for the actual services, and less direct control of the sub-consultants by the Agency. Ms. Rosen informed the Commission that staff would be soliciting for specialty engineering services and would encourage all of the firms to participate as well as other firms who were not able to compete because they were not part of a multi-disciplinary team to begin with. The course of action detailed in the informational memorandum advanced the Agency's needs for specialty engineering services and provided the opportunity for smaller and minority firms to participate, and the process would be fair and equal so that firms can participate based upon their specialty and qualifications.

- Commissioner Yee believed it was bad policy to withdraw the engineering panel and start the process all over again, and that was not fair to the firms that went through the process. Mr. Yee suggested that the selected firms be retained on an as-needed basis and presented to the Commission for rejection or approval.

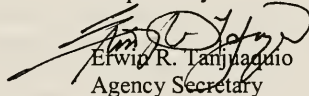
10. CLOSED SESSION

- (a) Pursuant to Government Code § 54956.8 to instruct the Agency's real property negotiators regarding Interim Leasing of the Hunters Point Shipyard.
Property Owner: U.S. Navy. Agency negotiators: Marcia Rosen, Don Capobres, Kevin Warner

11. ADJOURNMENT

It was moved by Mr. King, seconded by Mr. Singh, and unanimously carried that the meeting be adjourned. The meeting adjourned at 8:45 p.m.

Respectfully submitted,


Erwin R. Larijagudio
Agency Secretary

APPROVED:

May 14, 2002

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
30TH DAY OF APRIL 2002

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at City Hall, 1 Dr. Carlton B. Goodlett Place, Room 416, in the City of San Francisco, California, at 4:00p.m. on the 30th day of April 2002, at the place and date duly established for holding of such a meeting.

Acting President Kathryn C. Palamountain called the meeting to order at 4:10 p.m. Ms. Palamountain welcomed members of the public and asked that cell phones and pagers be turned off during the meeting.

1. Recognition of a Quorum

The Commission Secretary announced the presence of a quorum with the following Commissioners present.

Kathryn C. Palamountain, Vice President
Mark Dunlop
Leroy King
Benny Y. Yee (arrived @ 4:10 p.m.)

And the following were absent:

Ramon E. Romero
Darshan Singh
Chantel L. Walker, President

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Marcia Rosen, Executive Director and staff members were also present.

- 2. Report on actions taken at previous Closed Session meeting, if any.** None.
- 3. Matters of Unfinished Business:** None.
- 4. Matters Of New Business**

REGULAR AGENDA

- 4 (a)** Resolution No. 70-2002, Public Hearing and Authorizing 1) an Assignment of the Disposition and Development Agreement concerning parcel 714-A(2), located at the northwest corner of Van Ness Avenue and Myrtle Street ("DDA"), by Van Ness Care Center, Inc., a California corporation to San Francisco Care Center, L.P., a California limited partnership, and 2) a Third Amendment to the Disposition and Development Agreement providing for the assignment and subordination to HUD during the term of the Section 232 mortgage insurance; Western Addition Redevelopment Project Area A-2

Presenters: Ricky Tijani (Agency staff)

Commissioner Dunlop acknowledged the presence of Mel Lee.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. DUNLOP, AND UNANIMOUSLY CARRIED (MR. ROMERO, MR. SINGH AND MS. WALKER ABSENT) THAT ITEM 4 (a) RESOLUTION NO. 70-2002, AUTHORIZING 1) AN ASSIGNMENT OF THE DISPOSITION AND DEVELOPMENT AGREEMENT CONCERNING PARCEL 714-A(2), LOCATED AT THE NORTHWEST CORNER OF VAN NESS AVENUE AND MYRTLE STREET ("DDA"), BY VAN NESS CARE CENTER, INC., A CALIFORNIA CORPORATION TO SAN FRANCISCO CARE CENTER, L.P., A CALIFORNIA LIMITED PARTNERSHIP, AND 2) A THIRD AMENDMENT TO THE DISPOSITION AND DEVELOPMENT AGREEMENT PROVIDING FOR THE ASSIGNMENT AND SUBORDINATION TO HUD DURING THE TERM OF THE SECTION 232 MORTGAGE INSURANCE; WESTERN ADDITION REDEVELOPMENT PROJECT AREA A-2, BE ADOPTED.

- 4 (b) Resolution No. 71-2002, Authorizing an Amendment to the Agency's Housing Participation Policy to Amend the Housing Participation Requirements for All Residential Developments; All Redevelopment Project Areas

Presenters: Olson Lee (Agency staff)

Speakers: Joe O'Donoghue, Stuart Scheinholtz, Alice Barkley

Commissioner Dunlop noted the concerns raised by the speakers regarding lack of notice and put forth a motion to continue the matter until May 21st. Mr. Dunlop asked staff to take note of Ms. Barkley and Mr. Scheinholtz's statements regarding grandfather clauses and the imposition of affordability requirements to projects that were not demolishing existing housing units.

Commissioner King expressed that he would prefer continuing the matter for at least 30 days from April 30th. Commissioner Yee concurred.

There was no second to Commissioner Dunlop's motion to continue the matter to May 21, 2002.

Commissioner King put forth a motion to continue the matter for at least 30 days from April 30th. Commissioner Yee seconded the motion.

MOTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. YEE, AND UNANIMOUSLY CARRIED (MR. ROMERO, MR. SINGH AND MS. WALKER ABSENT) THAT ITEM 4 (b) RESOLUTION NO. 71-2002, AUTHORIZING AN AMENDMENT TO THE AGENCY'S HOUSING PARTICIPATION POLICY TO AMEND THE HOUSING PARTICIPATION REQUIREMENTS FOR ALL RESIDENTIAL DEVELOPMENTS; ALL REDEVELOPMENT PROJECT AREAS, BE CONTINUED FOR AT LEAST 30 DAYS FROM APRIL 30, 2002.

- 4 (c) Resolution No. 72-2002, Authorizing an Operating Agreement with the San Francisco African American Cultural Institute, a California non-profit public benefit corporation, in an amount not to exceed \$320,000 to Fund start-up costs for an African American Museum located at the St. Regis Museum Tower Development on Parcel EB-2A at the southeast corner of Third and Mission Streets; Yerba Buena Center Redevelopment Project Area

Presenters: Cheryl Towns (Agency staff), Alma Robinson (African-American Museum Board)

Speakers: Al Williams

Commissioner Yee remarked that the African-American Museum was a wonderful project and looked forward to the grand opening. Mr. Yee put forth a motion to adopt the item.

Commissioner Dunlop seconded the motion and looked forward to the completion of the project and the opening.

Acting President Palamountain thanked the Board for its hard work and vision.

ADOPTION: IT WAS MOVED BY MR. YEE, SECONDED BY MR. DUNLOP, AND UNANIMOUSLY CARRIED (MR. ROMERO, MR. SINGH AND MS. WALKER ABSENT) THAT ITEM 4 (c) RESOLUTION NO. 72-2002, AUTHORIZING AN OPERATING AGREEMENT WITH THE SAN FRANCISCO AFRICAN AMERICAN CULTURAL INSTITUTE, A CALIFORNIA NON-PROFIT PUBLIC BENEFIT CORPORATION, IN AN AMOUNT NOT TO EXCEED \$320,000 TO FUND START-UP COSTS FOR AN AFRICAN AMERICAN MUSEUM LOCATED AT THE ST. REGIS MUSEUM TOWER DEVELOPMENT ON PARCEL EB-2A AT THE SOUTHEAST CORNER OF THIRD AND MISSION STREETS; YERBA BUENA CENTER REDEVELOPMENT PROJECT AREA, BE ADOPTED.

5. **MATTERS NOT APPEARING ON AGENDA** - None.

6. **PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA BUT AGENCY RELATED MATTERS**

- Dave Osgood

7. **REPORT OF THE PRESIDENT**

- Acting President Palamountain attended the South Beach Children's Play Area ribbon-cutting ceremony on Saturday, April 27, 2002. Ms. Palamountain gave special thanks to staff that worked very hard (on a Saturday) to make the event a great success.
- Announced that there would not be a Commission meeting next week, May 7th and the next regular Commission meeting would be on May 14th.
- Expressed her delight to see that the Agency's public participation policy was working as evidenced by the attendance of families with their children in the meeting. Ms. Palamountain urged members of the public to let the Agency know how to make the Commission meetings more accessible to the public and thanked them for taking the time to come to the meeting.

8. **REPORT OF THE EXECUTIVE DIRECTOR**

- Attended the South Beach Children's Play area ribbon-cutting ceremony. The Mayor was in attendance along with children from 90 families in the South Beach neighborhood. Ms. Rosen commended staff for their very hard work in completing the development, and it was good to see the Rincon Point – South Beach community really come into its own and the completed play area added to the revitalized waterfront. Ms. Rosen recalled that the Rincon Point – South Beach Project Area was just starting in 1981 when Commissioner Leroy King was first appointed to the Commission.
- April 23rd, Board of Supervisors Budget Committee conducted a preliminary hearing on the Agency's proposed budget for 2002/03.
- April 25th, Board of Supervisors Transportation and Commerce Committee meeting to continue the March 25th Agency current budget presentation. Extensive presentation by Agency staff and a very good job by project management staff in presenting the Agency's mission and community revitalization goals. Supervisor Hall suggested that in addition to the quarterly reports to the Board

of Supervisors required by State Law, the Agency should provide an annual presentation of its program to the Board of Supervisors in order to inform the public of the tremendous work of the Agency and its contributions to San Francisco communities.

- As reported to the Commission last week (April 23rd) Supervisor McGoldrick introduced legislation (on April 22nd) that called for the Board of Supervisors to become the governing body for the Agency and the legislation was placed on the 30-day calendar and referred to the Rules Committee. Supervisor Peskin's legislation had also been referred to the Rules Committee. These two legislations had a cross-referral, which means that both legislations could be heard on the same (Rules Committee) agenda.
- April 29th full Board of Supervisors meeting – Supervisor McGoldrick on roll call, requested a hearing on the Agency's direct development of affordable housing – matter had not yet been calendared.
- April 29th, full Board of Supervisors meeting – Supervisor Daly made a motion to table the earlier (March 25th) legislation he introduced, which means that there was no further action expected by the Board of Supervisors.
- - Two community meetings in the Western Addition:
 1. May 7th at 6:00 p.m., 1770 Eddy Street - former site of the College of Podiatry, now the site for a new High School, plus a parcel switch to regularize parcels that were transferred to the Agency for the development of 13 affordable townhouses.
 2. May 8th at 6:00 p.m., 1840 Sutter Street – Presentation of proposed housing development for 1600 Webster Street, site of former Japantown Bowl.
 - May 1st at 1:00 p.m., Earl P. Mills Community Center, 100 Whitney Young Circle – Bayview community workshop to improve the Shoreview Park.
 - May 2nd at 11:30 a.m. – Groundbreaking for Site X, development of 10 single-family affordable homes, sponsored by E.M. Johnson, SFHDC and Habitat for Humanity.
 - As reported to the Commission last week (April 23rd) a City-sponsored bill at the State legislature that designates the Agency as trustee for tidelands properties at the Shipyard was pending at the Assembly Local Government Committee on April 24th and passed

with an 11 to zero vote. The next stop for the legislation would be at the Assembly Appropriations Committee and the date had not yet been scheduled.

- April 27th, the Navy held the first of a series of community workshops at the Southeast Community Facility to improve the Navy's outreach to the community on their environmental work. The Navy announced a follow-up meeting on community-based contracting on May 15th, from 6:00 to 8:00 p.m. at the Earl P. Mills Community Center, 100 Whitney Young Circle. Attending will be the Navy, Small Business Administration and Navy contractors.

9. COMMISSIONERS QUESTIONS AND MATTERS

- Commissioner Dunlop attended a tour of the Plaza Hotel on April 23rd and met with a lot of the residents as well as Agency staff June Bartholomew and Olson Lee. The meeting was very informative and Ms. Bartholomew assured the tenants that maintenance issues would be taken care of right away.

Mr. Dunlop attended the Dolores Street Community Services 20th Anniversary celebration on April 25th where Agency staff Chris Harris received an award for her great work on the Richard M. Cohen residence.

Mr. Dunlop recalled that an item on the April 23rd Agenda regarding the Purchasing Policy was continued to May 14th instead of April 30th to accommodate Commissioner Singh who could not attend the April 30th meeting, and since Mr. Dunlop was not going to be attending the May 14th meeting, he requested that the item be continued to the May 21st meeting.

Commissioner Dunlop put forth a motion to continue the matter regarding the Agency's Purchasing Policy that was continued to the May 14th meeting (from April 23rd) to the meeting of May 21st.

Acting President Palamountain relinquished the Chair to Commissioner King so that she could participate in the debate on Commissioner Dunlop's motion.

Commissioner Palamountain seconded Commissioner Dunlop's motion.

MOTION: IT WAS MOVED BY MR. DUNLOP, SECONDED BY MS. PALAMOUNTAIN, THAT THE MATTER REGARDING THE AGENCY'S PURCHASING POLICY THAT WAS CONTINUED TO MAY 14TH BE CONTINUED TO THE MEETING OF MAY 21ST, AND ON ROLL CALL, THE FOLLOWING VOTED "AYE":

Mr. Dunlop
Ms. Palamountain

AND THE FOLLOWING VOTED "NAY":

Mr. King
Mr. Yee

AND THE FOLLOWING WERE ABSENT.

Mr. Romero
Mr. Singh
Ms. Walker

THE SECRETARY DECLARED THE RESULTS OF THE ROLL CALL VOTE, TWO (2) AYES, TWO (2) NAYS, AND THREE (3) ABSENT.

THE ACTING PRESIDENT THEREUPON DECLARED THAT THE MOTION FAILED.

- Commissioner Dunlop recalled Dave Osgood's statements about seven percent rent increases at Rincon Center and that his own rent had been increased by 15% while the market rents have decreased by 40%. Mr. Dunlop asked the Executive Director to provide a response.

Executive Director Rosen responded that Mr. Osgood also raised the same issue when he testified at the last Commission meeting and Commissioner Singh had asked for a response. The Executive Director did provide a response in addition to a letter that was sent to Mr. Osgood. Agency staff including Agency Counsel and Housing staff have been in frequent contact with Mr. Osgood and he had been responded to in writing. Ms. Rosen reiterated that in most affordable rental housing programs, rent levels were based upon the targeted income level of the tenants and the permitted rent increases were based on the HUD designated increase in annual income levels. The Housing Plan for Rincon Center was the subject of litigation and numerous Commission meetings and the Commission voted unanimously in June of 2001 to approve it. Ms. Rosen assured the Commission that Agency

staff had been responsive to Mr. Osgood's frequent communications both with consultations and in writing.

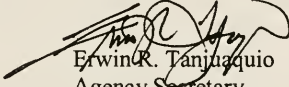
- Commissioner Dunlop requested the Executive Director to provide a response to Mr. Osgood's claim that his rent had been increased by 15% while the market rents have gone down by 40%.
- Commissioner Yee had reviewed the audiocassette tape of the April 9th meeting and believed that the Commission Secretary overlooked statements made by him, the Chair and Commissioners King and Singh. Mr. Yee urged the Commission Secretary to listen to the tape and revise the April 9th minutes so that the Commission can approve them.
- Acting President Palamountain stated that the Commission Secretary had prepared the minutes as he saw fit and suggested that if any Commissioner had changes to the minutes, to submit them to the Executive Director or the Commission Secretary in writing and the Commission could entertain a motion to make sure that the changes suggested get a vote, either up or down.
- Commissioner Yee disagreed with Acting President Palamountain's suggestion and stated that statements made by Commissioners on the tape should be transcribed or summarized to reflect the essence of the statements. Mr. Yee opposed the suggestion to submit changes in writing. On another matter, Mr. Yee was glad to see that the Mayor had signed the City's inclusionary housing legislation last April 5th.
- Commissioner King disagreed with the Chair's suggestion about the minutes. It was the Commission Secretary's responsibility to listen to the tape and revise the minutes and submit them to the Commission for its approval or rejection. Mr. King commented that other Commissioners continue to talk about the Plaza Hotel and the Rincon Annex BMR (Below Market Rate) matters when the Commission had already discussed these issues for over a year and had made its decisions.

10. **CLOSED SESSION** None.

11. ADJOURNMENT

It was moved by Mr. Yee, seconded by Mr. Dunlop, and unanimously carried that the meeting be adjourned. The meeting adjourned at 5:22 p.m.

Respectfully submitted,



Erwin R. Tanjiaquio
Agency Secretary

APPROVED:

May 14, 2002

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
14TH DAY OF MAY 2002

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at City Hall, 1 Dr. Carlton B. Goodlett Place, Room 416, in the City of San Francisco, California, at 4:00p.m. on the 14th day of May 2002, at the place and date duly established for holding of such a meeting.

President Chantel L. Walker called the meeting to order at 4:13 p.m. Ms. Walker welcomed members of the public and asked that cell phones and pagers be turned off during the meeting.

1. RECOGNITION OF A QUORUM

The Commission Secretary announced the presence of a quorum with the following Commissioners present.

Chantel L. Walker, President
Kathryn C. Palamountain, Vice President
Leroy King (arrived at 4:13 p.m.)
Ramon E. Romero
Darshan Singh (arrived at 4:20 p.m.)
Benny Y. Yee (arrived at 4:13 p.m.)

DOCUMENTS DEPT.

And the following were absent:

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Mark Dunlop

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Marcia Rosen, Executive Director and staff members were also present.

2. REPORT ON ACTIONS TAKEN AT PREVIOUS CLOSED SESSION MEETING, IF ANY. None.

3. MATTERS OF UNFINISHED BUSINESS:

- 3 (a)** Resolution No. 69-2002, Approving the Revision of the Agency's Purchasing Policy for Legal Contracts to Defend Complaints, Claims, and Litigation filed against the Agency; All Redevelopment Project Areas

Presenters: Bertha A. Ontiveros (Agency staff)

Commissioner Romero put forth a motion to adopt item 3 (a).

Commissioner King asked if any of the lawyers were in attendance at the meeting. Mr. King wanted to question the law firms about their affirmative action policy and reminded staff that he had requested the information at the previous meeting and reiterated his concern with the manner in which law firms were hired without the authority of the Commission.

General Counsel Ontiveros responded that the law firms proposed to be hired were not part of an existing panel and no representatives of law firms were in attendance because the Commission was not asked to authorize particular firms at this time.

Executive Director Rosen stated that the Commission was provided with additional information about the evaluation process for legal services and the requirements for non-discrimination in employment. Additional data was also provided with the law firms that have been used by the Agency in 2001, with gender and ethnic background that showed great diversity among the law firms. Ms. Rosen assured the Commission that the Agency would continue to require all law firms to comply with the Agency's equal opportunity program, to provide their workforce breakdown, and to be monitored by the Agency's Contract Compliance staff. Ms. Rosen stated that staff understood the Commission's concerns with diversity and would continue to promote equal opportunity policies and keep the Commission abreast of all information.

Commission King recalled that the lawyers were present at the last Commission meeting and stated that he did not want to give the authority to the Executive Director to hire the law firms. Mr. King wanted to see the law firms' affirmative action policies and repeated his request for the law firms to be present at the meeting so that they could come before the Commission and commit to the Agency's equal opportunity program. Mr. King did not want to vote on the matter until the law firms come before the Commission. Mr. King recalled that Attorney Ted Steefel who recently passed away, had hired one of the first African-American lawyer at his firm and stated that the other law firms did not have such commitment to minority hiring.

Commissioner Palamountain clarified that the Commission previously authorized expenditures for specific legal services, real estate transactions that the Agency had in fact planned for or predicted the needs for such services. The matter before the Commission was to revise the Agency's Purchasing Policy to allow staff to hire law firms to respond to claims and/or litigation against the Agency. Ms. Palamountain asked if staff could predict the Agency's needs for litigation legal services.

General Counsel Ontiveros responded that staff could not predict such needs and the requested exception from the Purchasing Policy would allow the Agency's legal staff to respond to claims or litigation against the Agency

and could not foretell when a claim or law suit might be filed against the Agency. A specific law firm or firms could not be brought before the Commission because the nature of a claim or lawsuit against the Agency was not known and therefore, the need for specific legal services could not be predicted.

Commissioner Palamountain acknowledged Commissioner King's concern about legal contracts coming before the Commission and suggested a friendly amendment to Commissioner Romero's motion to impose an expenditure authority of up to \$50,000 for legal contracts to defend complaints, claims and litigation filed against the Agency. Commissioner Romero accepted the friendly amendment.

Commissioner Yee shared the same concern as Commissioner King's and stated that until Mr. King's concerns were resolved, he would not vote for the matter.

Commissioner King did not support the amendment proposed by Commissioner Palamountain and still wanted to see the legal contracts come before the Commission. Mr. King recalled that law firms had come before the Commission in previous contracts with the Agency.

Executive Director Rosen explained that the matter before the Commission was not a panel, but that Agency staff would be following the policy of issuing RFQs for specialized panels, in bond counsel, employment and labor and to renew the real estate panel and broaden it to include construction claims. The panels from these legal services would be brought before the Commission with staff's recommendations and attorneys from the various firms would be in attendance. Agency staff was requesting a narrow exception from the Agency's procurement limitation of \$20,000 for all contracts and as suggested by Commissioner Palamountain, would increase that limit to \$50,000 for those legal services not covered in the existing legal panels. Ms. Rosen added that the \$20,000 procurement limit was established in 1994 and the costs for legal services since that time, had risen significantly. Agency staff intended to issue RFQs for legal services and would come before the Commission, as well as semi-annual reports to the Commission on those limited legal services, which were outside of the legal panels. There were several times a year when the Agency needed specialized legal services to defend against lawsuits or investigate a claim and needed the ability to respond quickly. If the matter turned out to be a larger case, it would be brought before the Commission for its approval.

Commissioner Singh expressed support for Commissioner Palamountain's amendment to impose a \$50,000 limit and asked for addition explanation and if this would be a one-time contract.

Executive Director Rosen explained that the amendment was to put a \$50,000 limit on the authority of the General Counsel acting with the Executive Director to retain outside counsel on a limited basis with an expenditure limit of up to \$50,000 and with periodic reporting to the Commission. Ms. Rosen emphasized that staff would use the Agency's procurement policies to ensure an open and competitive process. Ms. Rosen informed the Commission that the limit would be for each contract that would be limited to \$50,000 each and that staff anticipated the need to arise between three to five times a year, based upon staff's experience, but could not predict if the Agency would get a flurry of claims against it.

Commissioner King reiterated his position on the matter that he did not want to give the authority to the staff and that the legal contracts should come before the Commission.

Commissioner Yee stated that the Commission should retain some authority and not give all of the power to the Executive Director and other staff.

Commissioner Romero clarified that the Commission would approve future panels of law firms for specific legal services that staff had anticipated, and when those contracts are brought before the Commission, there would be an opportunity to see if the law firms have the appropriate diversity consistent with the Agency's equal opportunity program. The matter before the Commission was an exception to provide an expenditure authority to the Executive Director for up to \$50,000 for those limited and specialized legal services not included in the existing panels. Mr. Romero asked the Executive Director if she could quantify the percentage of expenditure for such limited cases.

Executive Director Rosen responded that in analyzing the legal expenses for the past few years, the majority of the expenditures have been for real estate legal services. As indicated earlier, staff would be issuing RFQs for bond counsel as well as employment and labor. Staff anticipated that there would perhaps be up to five instances in a year where there might be claims filed against the Agency that were not covered by these panels. Ms. Rosen noted that the General Counsel had also included another alternative that would impose a time limit on the expenditure authority. The only panel in place was the real estate panel and the Commission would have the opportunity to select the panels for bond counsel and employment and labor. Ms. Rosen felt uncomfortable with having the responsibility to defend the Agency from claims without the authority to protect the Agency from potential liabilities.

Commissioner Romero considered himself a strong advocate of affirmative action and stated that there needs to be a balance between diversity efforts of law firms that the Agency hired and the Agency's ability to defend itself from claims or litigation filed against it because there may be an instance

where the best qualified law firm to defend the Agency may not have any minority lawyers. Mr. Romero supported giving the expenditure authority to the Executive Director.

Commissioner Yee asked if staff anticipated any litigation in the near future.

Executive Director Rosen stated that when the Agency initiates litigation, the matter was brought before the Commission for its approval as well as the approval of the recommended counsel to represent the Agency. However, when the Agency was on the receiving end of a claim, it was very difficult to predict when that might occur. Ms. Rosen likened the requested expenditure authority to an insurance policy that would provide the authority to respond to a claim or a legal issue that might lead to a liability in an expeditious manner.

Commissioner Yee suggested that a delay of one or two weeks would not jeopardize the Agency's position and reiterated his support of Commissioner's King's desire to continue the matter.

Commissioner Singh inquired about the time limit alternative and asked about the estimated frequency of such events and if the contracts would come before the Commission for its approval.

Executive Director Rosen explained that the time limit alternative would limit the expenditure authority to December 31, 2002. Staff anticipated that there would be between three to five instances a year where such claims may occur. The contracts that were let under this expenditure authority would not come before the Commission, but would be reported to the Commission.

Commissioner Singh indicated support for the time limit alternative and suggested a friendly amendment to Commissioner Romero's initial motion. Commissioner Romero accepted Commissioner Singh's friendly amendment.

Commissioner Singh suggested an additional amendment to limit the number of contracts to two contracts until December 31, 2002.

Commissioner Romero declined to accept Commissioner Singh's amendment.

Commissioner King recalled that the expenditure limit used to be \$10,000 then was increased to \$15,000 and \$20,000, and what was being requested from the Commission was a way for the Executive Director to get around the procedure of getting Commission approval of contracts. Mr. King believed that any contracts exceeding the current limit of \$20,000 should

come before the Commission for its consideration and approval, and increasing the expenditure authority to \$50,000 takes away the Commission's authority.

Commissioner Romero withdrew his motion and put forth a new motion to continue the matter for three weeks or the first meeting in June to provide additional time for the Executive Director to come up with a modified proposal.

Commissioner Palamountain seconded the motion to withdraw and seconded the motion to continue the matter to June 11, 2002.

MOTION: IT WAS MOVED BY MR. ROMERO, SECONDED BY MS. PALAMOUNTAIN, AND UNANIMOUSLY CARRIED (MR. DUNLOP ABSENT) THAT ITEM 3(a) RESOLUTION NO. 69-2002, APPROVING THE REVISION OF THE AGENCY'S PURCHASING POLICY FOR LEGAL CONTRACTS TO DEFEND COMPLAINTS, CLAIMS, AND LITIGATION FILED AGAINST THE AGENCY; ALL REDEVELOPMENT PROJECT AREAS, BE CONTINUED TO THE COMMISSION MEETING OF JUNE 11, 2002.

Commissioner Singh put forth a motion to provide the Executive Director with the expenditure authority of up to \$50,000 for a maximum of two contracts by December 31, 2002.

There was no second to Commissioner Singh's motion.

4. MATTERS OF NEW BUSINESS

CONSENT AGENDA

- 4 (a)** Approval of Minutes: Meetings of April 23 and 30, 2002
- 4 (b)** Resolution No. 73-2002, Authorizing a First Amendment to the 2001-2002 Fiscal Agent Agreement with the County of Marin to add \$662,794 for a total aggregate contract amount not to exceed \$1,357, 594, as a part of the Housing Opportunities for Persons With AIDS Program
- 4 (c)** Resolution No. 74-2002, Authorizing a First Amendment to the 2001-2002 Fiscal Agent Agreement with the County of San Mateo to add \$81,860 for a total aggregate contract amount not to exceed \$812,960, as a part of the Housing Opportunities for Persons With AIDS Program

ADOPTION: IT WAS MOVED BY MR. ROMERO, SECONDED BY MS. PALAMOUNTAIN, AND UNANIMOUSLY CARRIED (MR. DUNLOP ABSENT) THAT CONSENT AGENDA ITEMS 4 (a) APPROVAL OF MINUTES: MEETINGS OF APRIL 23 AND 30, 2002, 4 (b) RESOLUTION NO. 73-2002, AUTHORIZING A FIRST AMENDMENT TO THE 2001-2002 FISCAL AGENT AGREEMENT WITH THE COUNTY OF MARIN TO ADD \$662,794 FOR A TOTAL AGGREGATE CONTRACT AMOUNT NOT TO EXCEED \$1,357, 594, AS A PART OF THE HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS PROGRAM, 4 (c) RESOLUTION NO. 74-2002, AUTHORIZING A FIRST AMENDMENT TO THE 2001-2002 FISCAL AGENT AGREEMENT WITH THE COUNTY OF SAN MATEO TO ADD \$81,860 FOR A TOTAL AGGREGATE CONTRACT AMOUNT NOT TO EXCEED \$812,960, AS A PART OF THE HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS PROGRAM, BE ADOPTED.

REGULAR AGENDA

Items 4 (d) and (e) were presented together and acted upon separately.

- 4 (d)** Resolution No. 75-2002, Conditionally Approving the Amended Combined Basic Concept and Schematic Design for Parcel 4 of Blocks 41-43 in Mission Bay South pursuant to an Owner Participation Agreement with Catellus Development Corporation, a Delaware corporation; Mission Bay South Redevelopment Project Area
- 4 (e)** Resolution No. 76-2002, Conditionally Approving the Schematic Design for Parcel 2 of Blocks 41-43 in Mission Bay South pursuant to an Owner Participation Agreement with Catellus Development Corporation, a Delaware corporation; Mission Bay South Redevelopment Project Area

Presenters: Amy Neches, Tiffany Bohee (Agency staff), Jim Park (NBBJ Architects), Karen Lim (DGA Architects)

Commissioner Romero inquired about the fenced area on the top of the building on Parcel 4 and put forth a motion to adopt item 4 (d).

Ms. Tiffany Bohee responded that the fenced area was an architectural cap to top-off the building and to provide screening for the exhaust and mechanical systems on the roof.

Commissioner Palamountain seconded the motion to adopt item 4 (d) and inquired about the Parcel 2 building's science service yard and asked if that was the earlier proposed loading dock.

Ms. Amy Neches responded that there was a rear garden area that would serve as a combination science service yard and a loading dock area. Ms. Neches added that the science facility required an outdoor storage facility and that had been designed as an architectural element to soften its impact.

Commissioner Palamountain appreciated the design element consideration so that users of the plaza across from the building's rear area would not have to view the loading and the storage areas.

Commissioner Yee observed that the buildings had beautiful designs and congratulated Catellus for putting together a great design team. Mr. Yee added that the views from the freeway would be fantastic on the buildings very attractive and pleasing designs.

President Walker inquired about the new building design's footprint on Parcel 4 compared to the previous design.

Ms. Amy Neches informed the Commission that the new building design had the same footprint with a smaller building.

ADOPTION: IT WAS MOVED BY MR. ROMERO, SECONDED BY MS. PALAMOUNTAIN, AND UNANIMOUSLY CARRIED (MR. DUNLOP ABSENT) THAT ITEM 4 (d) RESOLUTION NO. 75-2002, CONDITIONALLY APPROVING THE AMENDED COMBINED BASIC CONCEPT AND SCHEMATIC DESIGN FOR PARCEL 4 OF BLOCKS 41-43 IN MISSION BAY SOUTH PURSUANT TO AN OWNER PARTICIPATION AGREEMENT WITH CATELLUS DEVELOPMENT CORPORATION, A DELAWARE CORPORATION; MISSION BAY SOUTH REDEVELOPMENT PROJECT AREA, BE ADOPTED.

ADOPTION: IT WAS MOVED BY MS. PALAMOUNTAIN, SECONDED BY MR. ROMERO, AND UNANIMOUSLY CARRIED (MR. DUNLOP ABSENT) THAT ITEM 4 (e) RESOLUTION NO. 76-2002, CONDITIONALLY APPROVING THE SCHEMATIC DESIGN FOR PARCEL 2 OF BLOCKS 41-43 IN MISSION BAY SOUTH PURSUANT TO AN OWNER PARTICIPATION AGREEMENT WITH CATELLUS DEVELOPMENT CORPORATION, A DELAWARE CORPORATION; MISSION BAY SOUTH REDEVELOPMENT PROJECT AREA, BE ADOPTED.

Items 4 (f), (g) and (h) were presented together and acted upon separately.

- 4 (f)** Resolution No. 77-2002, Public Hearing and Authorizing an Exchange Agreement with 1210 Scott Street, LLC, a Delaware limited liability company, for the exchange of real property located at 1210 Scott Street, consisting of portions of Agency Parcels 729-A-1 and 729-B for portions of the Developer's Parcel 3, all located on the east side of Scott Street, between Ellis and Eddy Streets; Western Addition Redevelopment Project Area A-2
- 4 (g)** Resolution No. 78-2002, Authorizing an Amended Owner Participation Agreement and Second Amendment to the Agreement for Disposition of Land for Private Development with 1210 Scott Street, LLC, a Delaware limited liability company, for the renovation and construction of the property located at 1210 Scott Street, bounded by Scott, Pierce, Ellis and Eddy Streets; Western Addition Redevelopment Project Area A-2
- 4 (h)** Resolution No. 79-2002, Conditionally Approving the Master Plan and the Schematic Design for the Phase One Improvements for the renovation and construction of the property located at 1210 Scott Street, bounded by Scott, Pierce, Ellis and Eddy Streets, with 1210 Scott Street, LLC, a Delaware limited liability company; Western Addition Redevelopment Project Area A-2

Presenters: Albert Luis, Ed Ong (Agency staff), Kathy Simon (SMWM Architects)

Speakers: Mary Helen Rogers, Essie Collins, Arnold Townsend

Commissioner Palamountain expressed her support for the project and thanked staff and the architect for an excellent presentation. Ms. Palamountain put forth a motion to adopt item 4 (f).

President Walker inquired about some mechanism like a Memorandum of Understanding that would address the issue of community access.

Ms. Shirley Wysinger informed the Commission that staff would be working with the developer to address the issue and would do so as soon as possible.

ADOPTION: IT WAS MOVED BY MS. PALAMOUNTAIN, SECONDED BY MR. SINGH, AND UNANIMOUSLY CARRIED (MR. DUNLOP ABSENT) THAT ITEM 4 (f) RESOLUTION NO. 77-2002, PUBLIC HEARING AND AUTHORIZING AN EXCHANGE AGREEMENT WITH 1210 SCOTT STREET, LLC, A DELAWARE LIMITED LIABILITY COMPANY, FOR THE EXCHANGE OF REAL PROPERTY LOCATED AT 1210 SCOTT STREET, CONSISTING OF PORTIONS OF AGENCY PARCELS 729-A-1 AND 729-B FOR PORTIONS OF THE DEVELOPER'S PARCEL 3, ALL LOCATED ON THE EAST SIDE OF SCOTT STREET, BETWEEN ELLIS AND EDDY STREETS; WESTERN ADDITION REDEVELOPMENT PROJECT AREA A-2, BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. SINGH, SECONDEED BY MR. KING, AND UNANIMOUSLY CARRIED (MR. DUNLOP ABSENT) THAT ITEM 4 (g) RESOLUTION NO. 78-2002, AUTHORIZING AN AMENDED OWNER PARTICIPATION AGREEMENT AND SECOND AMENDMENT TO THE AGREEMENT FOR DISPOSITION OF LAND FOR PRIVATE DEVELOPMENT WITH 1210 SCOTT STREET, LLC, A DELAWARE LIMITED LIABILITY COMPANY, FOR THE RENOVATION AND CONSTRUCTION OF THE PROPERTY LOCATED AT 1210 SCOTT STREET, BOUNDED BY SCOTT, PIERCE, ELLIS AND EDDY STREETS; WESTERN ADDITION REDEVELOPMENT PROJECT AREA A-2, BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDEED BY MR. SINGH, AND UNANIMOUSLY CARRIED (MR. DUNLOP ABSENT) THAT ITEM 4 (h) RESOLUTION NO. 79-2002, CONDITIONALLY APPROVING THE MASTER PLAN AND THE SCHEMATIC DESIGN FOR THE PHASE ONE IMPROVEMENTS FOR THE RENOVATION AND CONSTRUCTION OF THE PROPERTY LOCATED AT 1210 SCOTT STREET, BOUNDED BY SCOTT, PIERCE, ELLIS AND EDDY STREETS, WITH 1210 SCOTT STREET, LLC, A DELAWARE LIMITED LIABILITY COMPANY; WESTERN ADDITION REDEVELOPMENT PROJECT AREA A-2, BE ADOPTED.

Items 4 (i) and (j) were presented together and acted upon separately.

- 4 (i) Resolution No. 80-2002, Authorizing the Expenditure of Agency Funds for the Redevelopment Plan Adoption Services Panel by an additional \$160,000 for a total aggregate amount not to exceed \$1,510,000, for additional tasks related to Plan Amendment documents for the Bayview Hunters Point Redevelopment Survey Area
- 4 (j) Resolution No. 81-2002, Authorizing a Personal Services Contract with EIP Associates, a California corporation, in an amount not to exceed \$758,000 to provide Environmental Review Services for the Program Environmental Impact Report; Bayview Hunters Point Redevelopment Survey Area

Presenters: Stan Muraoka (Agency staff)

Speakers: James Martin

Commissioner Palamountain thanked the consultants and James Martin for coming to the meeting. Ms. Palamountain put forth a motion to adopt item 4 (i). Commissioner Romero seconded the motion.

President Walker asked when the Redevelopment Plan would come before the Commission.

Mr. Stan Muraoka responded that the Redevelopment Plan was scheduled to come before the Commission in November 2002, but the schedule was contingent upon completion of many of the plan documents working with the PAC and the broader community in Bayview.

ADOPTION: IT WAS MOVED BY MS. PALAMOUNTAIN, SECONDED BY MR. ROMERO, AND UNANIMOUSLY CARRIED (MR. DUNLOP ABSENT) THAT ITEM 4 (i) RESOLUTION NO. 80-2002, AUTHORIZING THE EXPENDITURE OF AGENCY FUNDS FOR THE REDEVELOPMENT PLAN ADOPTION SERVICES PANEL BY AN ADDITIONAL \$160,000 FOR A TOTAL AGGREGATE AMOUNT NOT TO EXCEED \$1,510,000, FOR ADDITIONAL TASKS RELATED TO PLAN AMENDMENT DOCUMENTS FOR THE BAYVIEW HUNTERS POINT REDEVELOPMENT SURVEY AREA, BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. SINGH, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED (MR. DUNLOP ABSENT) THAT ITEM 4 (j) RESOLUTION NO. 81-2002, AUTHORIZING A PERSONAL SERVICES CONTRACT WITH EIP ASSOCIATES, A CALIFORNIA CORPORATION, IN AN AMOUNT NOT TO EXCEED \$758,000 TO PROVIDE ENVIRONMENTAL REVIEW SERVICES FOR THE PROGRAM ENVIRONMENTAL IMPACT REPORT; BAYVIEW HUNTERS POINT REDEVELOPMENT SURVEY AREA, BE ADOPTED.

5. MATTERS NOT APPEARING ON AGENDA - None.

6. PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA BUT AGENCY RELATED MATTERS

- Mary Helen Rogers, Carmen Johnson

7. REPORT OF THE PRESIDENT

- President Walker shared that Helen Sause, Deputy Executive Director for Project and Program Management was ill and requested prayers for a quick recovery.
- Condolences to Ted Steefel's family.

8. **REPORT OF THE EXECUTIVE DIRECTOR**

- Ms. Rosen introduced the Agency's newly appointed Deputy Executive Director for Housing and Community Development, Ms. Joanne Sakai.
- Community meeting held on May 7th regarding the 1210 Scott Street project, with a second community meeting scheduled for May 30th to discuss the development of the Agency-owned parcels for affordable homeownership units.
- Community meeting held on May 8th regarding the proposed development on the former Japantown Bowl site – large meeting with many community residents in attendance. Staff had recorded the community's concerns and sent them to the developer encouraging consideration of the concerns raised as well as an additional community meeting.
- Held the first meeting of the Public Initiatives Development Corporation on May 13th at the Agency offices and established a regular meeting date and time of every fourth Monday of the month at 6:00 p.m.
- Board of Supervisors Rules Committee meeting on May 21st to consider the reappointment of Commissioner Ramon Romero to the Agency Commission.
- Pending at the Rules Committee are (1) Supervisor McGoldrick's proposed legislation on the Agency's governance structure, (2) Supervisor McGoldrick's request for a hearing on the Agency's direct development of affordable housing, and (3) Supervisor Peskin's proposed legislation on imposing term limits for Agency Commissioners.
- Budget Committee meeting tentatively scheduled on June 20th, to provide a second review of the Agency's proposed budget for 2002-2003.
- Namiki Apartments ribbon-cutting ceremony on May 14th celebrating the preservation of 34 affordable units. Commissioner Singh, Mayor Willie L. Brown, Jr. and Supervisor Gonzales were in attendance along with many of the residents. To date, the Agency had been instrumental in preserving over 1700 units of affordable housing.

- Ribbon-cutting ceremony on May 11th for the John King Senior Housing Development, 93 affordable units in Visitation Valley – development included a senior center and child care center.
- U.S. Navy Community Workshop on May 15th from 6:00 to 8:00 p.m. at the Earl P. Mills Community Center, to discuss community-based contracting and employment opportunities.
- 10th annual Children's Mural Program and 2nd annual environmental program presenting artwork of Children artists from the fourth and fifth grade classes of Dr. Carver Academic School, Dr. Charles Drew School, Brett Harte, 21st Century Academy and Malcolm X Academy – May 24th from 6:30 to 8:30 p.m. at the Opera House in Bayview.
- Muni groundbreaking ceremony for the Third Street Light Rail project on May 28th, 11:00 a.m. at the CalTrain depot.

9. COMMISSIONERS QUESTIONS AND MATTERS

- Commissioner King was perplexed to hear about the PIDC meeting that was held the day before and believed that the Commission President did not have the authority to appoint board members and to schedule the meeting without first getting approval from the Commission
- President Walker responded that when the Commission approved the incorporation of the development corporation, the bylaws gave the Commission President the authority to appoint two members to the board.

Executive Director Rosen confirmed that the Commission approved by bylaws of PIDC at its April 9th meeting.

- Commissioner King requested that a copy of the bylaws be provided to him.
- Commissioner Yee agreed with Commissioner King's concerns but that he would wait until he had read the bylaws. Mr. Yee inquired about the April 9th minutes and stated that the revisions had not yet been provided to the Commission.
- President Walker reminded the Commission that at a previous Commission meeting, it was agreed that if any Commissioner had specific revisions to the April 9th minutes, that they would provide them to the Commission Secretary for inclusion to the minutes. In addition, the General Counsel had researched and prepared a memorandum regarding the preparation of meeting minutes pursuant to Robert's Rules of Order.

- Commissioner Yee disagreed with the Chair and that it was not necessary for the Commissioners to give the Commission Secretary their revisions because it was the responsibility of the Commission Secretary to listen to the tapes and to summarize the Commissioners' statements. Mr. Yee directed the Commission Secretary to just revise the April 9th minutes reflecting the omitted statements by the Commissioners.
- President Walker responded that the Commission meeting minutes had always been a summary of the actions taken by the Commission and if transcription of the meetings were being suggested, the Commission needed to decide about hiring additional staff to transcribe the Commission meetings, assuming there was a budget to do so. Ms. Walker advised the Commission to simply provide their revisions to the Commission Secretary so that he can include them in the April 9th minutes, and if Commissioners wanted another standard of preparing the minutes they should present such proposal and the Commission could vote on it.
- Commissioner Yee reiterated his earlier comments that the Commission Secretary had been doing a fine job since being appointed, except for the April 9th minutes where he omitted statements made by Commissioners. Mr. Yee directed the Commission Secretary to summarize the Commissioners' statements and revise the April 9th minutes, and that consultation with the General Counsel was not necessary.
- Commissioner Yee recalled that he had requested staff to place on an Agenda the modification of the RFP process relating to the South of Market area and repeated his request to schedule the matter within the next two weeks. Mr. Yee stated that modification of the RFP process was a very important matter to ensure an equal and level playing field for all developers of affordable housing in the City.
- President Walker asked the Executive Director to think about when the RFP matter could be scheduled before the Commission.
- Commissioner Palamountain inquired about the Parcel 732-A matter that Mary Rogers asked about, specifically when the matter would be brought before the Commission. Ms. Palamountain heard reports about leakage of methane gas on Parcel E at the Shipyard and requested a written response from staff about the reported methane gas leakage. Ms. Palamountain shared that she received a copy of a letter from Diane Aubrey to Amy Neches thanking her for the hard work in providing parking spaces for the below market-rate units at the 301 Bryant Street development. Ms. Palamountain commended Amy Neches and Agency staff for their commitment and hard work for the community.

Executive Director Rosen responded that there was a 45 to 60-day review period following receipt of the responses from interested developers for Parcel 732-A and staff was diligently evaluating the proposals and as reported previously to the Commission, a real estate economics firm had been retained to assist in evaluating the responses. Mr. Rosen stated that staff would prepare an informational memorandum regarding the reported methane gas leakage on Parcel E in the Shipyard.

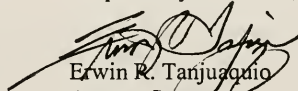
- Commissioner Romero stated that he did give his feedback about the April 9th minutes and other Commissioners should write a summary for inclusion in the minutes and present it to the Commission for a vote. Mr. Romero recalled the actions taken by the Commission regarding PIDC that authorized the Commission President to appoint two board members and agreed with the decisions that were made.
- Commissioner Singh asked staff to look into the letter sent by Dave Osgood regarding rent increases at Rincon Center. Mr. Singh also wanted to see the PIDC bylaws, and agreed that Commissioners' statements should be reflected on the April 9th minutes.
- Commissioner King inquired about the Port of San Francisco taking over the Pier 40 and harbor operations from the Agency and requested a status report.
- Commissioner Yee pointed out that the issue with the April 9th minutes was not correcting the minutes but including statements that were omitted by the Commission Secretary. Mr. Yee repeated his request to schedule the RFP matter as soon as possible.

10. CLOSED SESSION None.

11. ADJOURNMENT

It was moved by Mr. King, seconded by Ms. Palamountain, and unanimously carried that the meeting be adjourned. The meeting adjourned at 7:06 p.m.

Respectfully submitted,



Erwin R. Tanjuaquio
Agency Secretary

APPROVED:

May 28, 2002

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
21ST DAY OF MAY 2002

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at City Hall, 1 Dr. Carlton B. Goodlett Place, Room 416, in the City of San Francisco, California, at 4:00p.m. on the 21st day of May 2002, at the place and date duly established for holding of such a meeting.

President Chantel L. Walker called the meeting to order at 4:00 p.m. Ms. Walker welcomed members of the public and asked that cell phones and pagers be turned off during the meeting.

1. **RECOGNITION OF A QUORUM**

The Commission Secretary announced the presence of a quorum with the following Commissioners present.

Chantel L. Walker, President
Kathryn C. Palamountain, Vice President
Mark Dunlop
Leroy King
Ramon E. Romero
Darshan Singh
Benny Y. Yee

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Marcia Rosen, Executive Director and staff members were also present.

2. **REPORT ON ACTIONS TAKEN AT PREVIOUS CLOSED SESSION MEETING, IF ANY.** None.

3. **MATTERS OF UNFINISHED BUSINESS:** None.

4. **MATTERS OF NEW BUSINESS:**

CONSENT AGENDA

- 4 (a) Resolution No. 82-2002, Authorizing a Second Amendment to the Personal Services Contract with the Joint Venture of KPMG LLP, and Williams, Adley & Company LLP to Increase the maximum amount payable by \$121,000, for the Annual Audit of the June 30, 2002 Financial Statements and Implementation of the new Governmental Accounting Standards, for an aggregate maximum amount payable of no more than \$397,500

- 4 (b) Resolution No. 83-2002, Authorizing Assignment to the San Francisco Bicycle Coalition, a California public benefit nonprofit corporation, and First Amendment to Pier 40 Interim Sublease and Agreement to conduct a bicycle rental and repair business at South Beach harbor; Rincon Point-South Beach Redevelopment Project Area

ADOPTION: IT WAS MOVED BY MS. PALAMOUNTAIN, SECONDED BY MR. DUNLOP, AND UNANIMOUSLY CARRIED THAT CONSENT AGENDA ITEMS 4 (a), RESOLUTION NO. 82-2002, AUTHORIZING A SECOND AMENDMENT TO THE PERSONAL SERVICES CONTRACT WITH THE JOINT VENTURE OF KPMG LLP, AND WILLIAMS, ADLEY & COMPANY LLP TO INCREASE THE MAXIMUM AMOUNT PAYABLE BY \$121,000, FOR THE ANNUAL AUDIT OF THE JUNE 30, 2002 FINANCIAL STATEMENTS AND IMPLEMENTATION OF THE NEW GOVERNMENTAL ACCOUNTING STANDARDS, FOR AN AGGREGATE MAXIMUM AMOUNT PAYABLE OF NO MORE THAN \$397,500, AND 4 (b) RESOLUTION NO. 83-2002, AUTHORIZING ASSIGNMENT TO THE SAN FRANCISCO BICYCLE COALITION, A CALIFORNIA PUBLIC BENEFIT NONPROFIT CORPORATION, AND FIRST AMENDMENT TO PIER 40 INTERIM SUBLEASE AND AGREEMENT TO CONDUCT A BICYCLE RENTAL AND REPAIR BUSINESS AT SOUTH BEACH HARBOR; RINCON POINT-SOUTH BEACH REDEVELOPMENT PROJECT AREA, BE ADOPTED.

Item 8: Report of the Executive Director, was taken out of order and presented before consideration of Regular Agenda Item 4 (c)

8. REPORT OF THE EXECUTIVE DIRECTOR

- Informational memoranda regarding (1) Fillmore Jazz Preservation District Revolving Loan Program Status Report, (2) Update on planning for transfer of South Beach Harbor and related properties to the Port of San Francisco.
- RFQ for the Transbay Terminal Survey Area Design for Development – working with the Mayor's Office of Economic Development to publish the RFQ.
- Congratulations to Commissioner Ramon Romero on the confirmation of his reappointment (by Mayor Brown) to the Agency Commission, by the Rules Committee of the Board of Supervisors (May 21st) and recommendation to the full Board of Supervisors

- Mayor's office organized an interagency tour of Mission Bay on May 20th with department heads from City agencies involved in the development of Mission Bay's infrastructure.
- U.S. Conference of Mayors, May 20th to 22nd for a special Housing Summit meeting, with Olson Lee, Agency Housing Manager and Daryl Higashi, Director of the Mayor's Office of Housing representing the City in the housing workshops.
- Publicly thanked John Lucero, Urban Fellow for his contributions to the Agency's work programs and wished him great success and hoped that he would continue working in the field of community development. Mr. Lucero will be leaving the Agency on May 24th to complete his academic work in New York. Ms. Rosen commended the National Urban Fellows program in training very talented individuals to work in a very important field of work.
- 16th annual San Francisco Unified School District's Youth Arts Festival on May 11th – May 26th, Zeum – Yerba Buena Gardens.
- Blues and R & B Music Foundation's annual California Blues Festival on May 27th at Golden Gate Park – Shirley Wysinger Senior Project Manager, will be recognized with a plaque for her wonderful and excellent achievements in Western Addition.
- 10th annual Children's Mural Program celebration on May 24th, from 6:30 to 8:30 p.m., Opera House in the Bayview
- Muni Third Street Light Rail project groundbreaking ceremony on May 28th at 11:00 a.m., CalTrain Depot at 4th and King Streets.

REGULAR AGENDA

- 4 (c) Resolution No. 84-2002, Authorizing a Letter Agreement with the Mayor's Office of Public Finance for Reimbursement of consultant costs in an amount not to exceed \$50,000 in furtherance of Exclusive Negotiations with the Hunters Point Shipyard Primary Developer; Hunters Point Shipyard Redevelopment Project Area

Presenters: Don Capobres (Agency staff)

Commissioner Yee inquired about the \$1,000 in expenses as part of the Letter Agreement and asked if this amount was sufficient. Mr. Yee recalled that the Agency authorized the exclusive negotiations with the primary developer over three years ago and asked about the progress of the negotiations and observed that it seemed like the negotiations have taken a long time.

Mr. Don Capobres responded that the \$1,000 in expenses would cover incidentals such as travel, telephone, facsimile and mailing costs, and that this amount was sufficient to cover such costs.

Executive Director Rosen responded that the City and the Agency would have liked to conclude the negotiations sooner so that development of the Shipyard could proceed, but the negotiations have been dependent upon conveyance by the Navy and the extent of the environmental cleanup. The Commission would be provided with additional information next week about the status of the negotiations as well as the benchmarks for the Exclusive Negotiations Agreement. Ms. Rosen added that the City, the developer and the Agency's work have not been impeded because of their lack of due diligence or good faith, but by the lengthy conveyance process and the complications of the environmental cleanup, which were beyond the control of any City agency or the developer. Agency staff felt that the process was moving forward as quickly as possible within the constraints of the transactions beyond the City and Agency's control.

Commissioner Yee thanked the Executive Director for the response and asked if the primary developer Lennar, was doing a fair job on the Shipyard project.

Mr. Don Capobres responded that Lennar had been asked several times to accommodate the changes in the schedule resulting from the remediation efforts and Lennar had been responsive every time, and that Lennar was working in partnership with the Agency and the City in the negotiations with the Navy. Mr. Capobres believed that Lennar had been acting in good faith in proceeding with the work at the Shipyard.

ADOPTION: IT WAS MOVED BY MR. ROMERO, SECONDED BY MR. DUNLOP, AND UNANIMOUSLY CARRIED THAT ITEM 4 (c) RESOLUTION NO. 84-2002, AUTHORIZING A LETTER AGREEMENT WITH THE MAYOR'S OFFICE OF PUBLIC FINANCE FOR REIMBURSEMENT OF CONSULTANT COSTS IN AN AMOUNT NOT TO EXCEED \$50,000 IN FURTHERANCE OF EXCLUSIVE NEGOTIATIONS WITH THE HUNTERS POINT SHIPYARD PRIMARY DEVELOPER; HUNTERS POINT SHIPYARD REDEVELOPMENT PROJECT AREA, BE ADOPTED.

Item 7: Report of the President, and Item 9: Commissioners Questions and Matters, were taken out of order and discussed before Item 4 (d)

7. REPORT OF THE PRESIDENT

- President Walker asked Commissioners to provide their summer vacation schedule to the Commission Secretary.

9. COMMISSIONERS QUESTIONS AND MATTERS

- Commissioner Palamountain requested an update on the environmental cleanup status at the Shipyard and recalled her earlier request for information about reported Methane gas leakage on Parcel E. Ms. Palamountain was also interested in the status of the partnership between the Navy and the community, the City and the Agency regarding the Shipyard.

Executive Director Rosen responded that the requested information would be provided to the Commission in the following week.

- Commissioner Dunlop apologized for missing the May 14th Commission meeting because he was on the AIDS bicycle ride to Southern California raising money for AIDS prevention and thanked his fellow Commissioners and Agency staff for their kind support.

4 (d) Workshop on the Status of Redevelopment Planning Activities for the Proposed Mid-Market Redevelopment Project Area

Presenters: Lisa King (Agency staff)

Speakers: Byron Yee, Craig Adelman

Commissioner Yee congratulated Byron Yee on being elected the chair of the Mid-Market PAC and commended Lisa King and staff for an outstanding job.

Commissioner Palamountain thanked John Lucero and wished him well. Ms. Palamountain thanked Lisa King for an excellent presentation and staff's responsiveness to her concerns. Ms. Palamountain asked about the extent of the outreach to non-English speaking members of the community and if translation services were available at the community meetings.

Ms. Lisa King responded that when the community workshops were held in October and November 2001, there were community-wide notifications of the workshops as well as telephone calls and flyer distribution throughout the neighborhood, and recruited community members to assist in the outreach. Staff planned on working with tenants associations, particularly in the North of Market area to increase community outreach.

Mr. Jose Campos informed the Commission that the flyers for the community meetings contained information about the availability of English translators for members of the community needing the service, but staff did not receive such requests.

Commissioner Palamountain was interested to hear more about the Main Street program in comparison to the anchor tenant approach in retaining and attracting businesses to the area and requested more background information on these models as part of the economic development strategy for Mid-Market to ensure that existing businesses have access to such programs. Ms. Palamountain applauded the efforts of Executive Director Rosen and Ms. King in providing for community services with significant community input, and asked about the Agency's strategy for funding such programs in order to fulfill the commitment to the community.

Ms. Lisa King responded that the current strategy for economic development was to retain and improve existing businesses in the area, followed by a business attraction program for new businesses to locate in Mid-Market, and possibly draw an anchor tenant that would further spur business development in the area. Ms. King stated that the plan was to couple residential development with supporting housing services similar to the HOPWA program with multi-agency coordination and delivery of services.

Executive Director Rosen added that the reason for convening a meeting of various City departments was to devise a comprehensive plan for the delivery of community services to Mid-Market as part of the annual City budget process that would commit departmental resources to specifically identified social and economic programs targeted for Mid-Market. Staff did not anticipate a significant amount of tax increment funds to be generated in the first few years following plan adoption and the project area would need funds not only to begin project implementation, but also to improve the delivery of community services. These efforts would be in combination with extensive community input in developing an Action Plan for the Agency's five-year implementation plan for Mid-Market. Ms. Rosen indicated that there had been good cooperation from City departments involved in the planning of Mid-Market.

Commissioner Palamountain recalled that there was a population of young adults along Market Street with some being homeless, and asked if there were any plans for youth activities in Mid-Market and if there had been participation by youth in the planning process.

Ms. Lisa King stated that there had not been a lot of participation by the youth, but by service organizations that worked with the youth. The goal was to provide facilities for specific populations including youth.

Commissioner Palamountain was excited to hear about the Arts, Theater and Entertainment program, as well as the affordable housing component for Mid-Market.

Commissioner Singh commended Lisa King for her hard work, and asked how many PAC members there were for Mid-Market. Mr. Singh also asked how often the PAC met and if the Agency appointed the PAC members.

Ms. Lisa King informed the Commission that Mid-Market had a 29-member committee with 24 positions filled, and was working on filling the vacant positions. Ms. King stated that the PAC met once a month, on every second Wednesday of the month, plus two committee meetings that meet regularly.

Executive Director Rosen added that there would be an election of the PAC following adoption of the redevelopment plan.

Commissioner Dunlop commended Lisa King for an excellent presentation and thanked John Lucero for his contributions. Mr. Dunlop was excited to see the progress that was being made in Mid-Market and was impressed with the community input and how great the outreach had been. Mr. Dunlop was pleased to see an emphasis on public transportation instead of parking, and asked about the proposed allocation of 130,000 square feet for long term non profit use in Mid-Market. Mr. Dunlop also inquired about any proposal for façade improvements of many old and substandard buildings along Market Street. Mr. Dunlop was pleased to see a Senior Homeless Center planned for the area and urged that this facility be placed on a fast-track schedule following plan adoption.

Ms. Lisa King responded that the research on non-profit spaces had just been conducted and the data was relatively new and staff would continue working with all of the existing non-profit organizations in order to retain as many as possible within Mid-Market. Ms. King informed the Commission that a façade improvement program was listed on the programs and projects list, as well as urban design guidelines that would promote rehabilitation and refurbishment of buildings.

Commissioner Singh expressed that he would like to have a tour of the Mid-Market Survey Area.

Commissioner Yee recalled that there were many different ethnic groups in the South of Market and Mid-Market areas and suggested a survey to find out what the predominant non-English language was in order to provide the most needed translation services. Mr. Yee asked how many vacancies there were in the PAC and for what categories, and inquired about the PAC's budget.

Ms. Lisa King stated that there was a vacancy for a commercial owner and a residential owner, but was not certain with the other vacancies. Ms. King informed the Commission that the Mid-Market PAC had an annual budget of between \$60,000 to \$80,000 and was the most efficient PAC funded by the Agency.

Commissioner Yee commended the PAC not only for their frugality but their commitment and hard work for their community and urged them to keep up the great job, and thanked them for coming to the Commission meeting.

President Walker thanked Ms. King for a wonderful job and requested more information on proposed youth services and programs. Ms. Walker expressed some concern about sustaining economic development growth along with strengthening the social infrastructure with overlapping planning areas and multiple jurisdictions, so that there was not an over-commitment to the community of expected services.

Executive Director Rosen clarified that when the citywide inter-agency meetings were convened, they were arranged to specifically look at the Sixth Street corridor and the Mid-Market areas in order to coordinate the shared issues and activities involving both communities in particular, the service delivery system including economic development, small business development and even the arts delivery program. This was being done to ensure that programs and services were not duplicated but were carefully planned and coordinated and complemented the specific needs of both communities.

Ms. Lisa King added that copies of the maps used in the presentation, including a map called "In Context" map showing the overlapping issues, would be provided to the Commission.

President Walker commented that it would be helpful for the Commission to see how the interaction with other City agencies was coordinated and implemented.

Commissioner Yee asked if staff had considered a police substation in the area in order to increase police presence.

Ms. Lisa King agreed that was a good idea and added that there was a proposal to increase police patrol along Market Street.

Executive Director Rosen introduced John Lucero to the Commission and extended best wishes. Ms. Lisa King also introduced Peggy Wu who worked on the maps for the Mid-Market presentation.

5. MATTERS NOT APPEARING ON AGENDA - None.

6. PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA BUT AGENCY RELATED MATTERS

- Dorothy Peterson, Marion Thomlinson

(Both speakers expressed concerns of some residents of Shoreview Apartments regarding Agency staff's involvement with residents as part of the Agency's Preservation Program.)

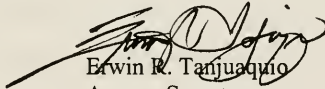
Commissioner Yee expressed concern with Dorothy Peterson's testimony and asked the Executive Director to look into the matter, and urged staff to work cooperatively with the community.

10. CLOSED SESSION None.

11. ADJOURNMENT

It was moved by Mr. Dunlop, seconded by Mr. King, and unanimously carried that the meeting be adjourned. The meeting adjourned at 5:29 p.m.

Respectfully submitted,



Erwin R. Tanjuaquio
Agency Secretary

APPROVED:

May 28, 2002

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
28TH DAY OF MAY 2002

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at City Hall, 1 Dr. Carlton B. Goodlett Place, Room 416, in the City of San Francisco, California, at 4:00p.m. on the 28th day of May 2002, at the place and date duly established for holding of such a meeting.

Acting President Kathryn C. Palamountain called the meeting to order at 4:00 p.m. Ms. Palamountain welcomed members of the public and asked that cell phones and pagers be turned off during the meeting.

1. **RECOGNITION OF A QUORUM**

The Commission Secretary announced the presence of a quorum with the following Commissioners present.

Kathryn C. Palamountain, Vice President
Mark Dunlop
Leroy King
Ramon E. Romero
Darshan Singh (arrived at 4:05 p.m.)
Benny Y. Yee (arrived at 4:07 p.m.)

DOCUMENTS DEPT.

And the following were absent:

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Chantel L. Walker, President

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Marcia Rosen, Executive Director and staff members were also present.

2. **REPORT ON ACTIONS TAKEN AT PREVIOUS CLOSED SESSION MEETING, IF ANY.** None.

3. **MATTERS OF UNFINISHED BUSINESS:** None.

4. **MATTERS OF NEW BUSINESS:**

CONSENT AGENDA

4 (a) Approval of Minutes: Meetings of April 9, May 14, and 21, 2002.

- 4 (b) Resolution No. 85-2002, Authorizing a Fifth Amendment to the Personal Services Contract with Willie B. Kennedy in the amount of \$25,700, for a total aggregate amount not to exceed \$444,660, and Extending the Time of Performance for three months for Community Outreach Services for the Hunters Point Shipyard Citizens Advisory Committee; Hunters Point Shipyard Redevelopment Project Area
- 4 (c) Resolution No. 86-2002, Authorizing a Fifth Amendment to the Personal Services Contract with Cassandra Tompkins in the amount of \$14,000, for a total aggregate amount not to exceed \$241,365, and Extending the Time of Performance for three months for Administrative Services for the Hunters Point Shipyard Citizens Advisory Committee; Hunters Point Shipyard Redevelopment Project Area

Commissioner King asked that the April 9th minutes be withdrawn from Consent Agenda Item 4 (a).

Commissioner Romero put forth a motion to adopt the Consent Agenda with the exception of the April 9th minutes. Commissioner King seconded the motion.

ADOPTION: IT WAS MOVED BY MR. ROMERO, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED (MR. YEE AND MS. WALKER ABSENT) THAT CONSENT AGENDA ITEMS 4 (a) APPROVAL OF MINUTES: MEETINGS OF MAY 14, AND 21, 2002, 4 (b) RESOLUTION NO. 85-2002, AUTHORIZING A FIFTH AMENDMENT TO THE PERSONAL SERVICES CONTRACT WITH WILLIE B. KENNEDY IN THE AMOUNT OF \$25,700, FOR A TOTAL AGGREGATE AMOUNT NOT TO EXCEED \$444,660, AND EXTENDING THE TIME OF PERFORMANCE FOR THREE MONTHS FOR COMMUNITY OUTREACH SERVICES FOR THE HUNTERS POINT SHIPYARD CITIZENS ADVISORY COMMITTEE; HUNTERS POINT SHIPYARD REDEVELOPMENT PROJECT AREA, AND 4 (c) RESOLUTION NO. 86-2002, AUTHORIZING A FIFTH AMENDMENT TO THE PERSONAL SERVICES CONTRACT WITH CASSANDRA TOMPKINS IN THE AMOUNT OF \$14,000, FOR A TOTAL AGGREGATE AMOUNT NOT TO EXCEED \$241,365, AND EXTENDING THE TIME OF PERFORMANCE FOR THREE MONTHS FOR ADMINISTRATIVE SERVICES FOR THE HUNTERS POINT SHIPYARD CITIZENS ADVISORY COMMITTEE; HUNTERS POINT SHIPYARD REDEVELOPMENT PROJECT AREA BE ADOPTED.

Commissioner King stated that he still objected to the April 9th minutes because there were comments that were still left out and that he opposed their approval.

Acting President Palamountain had read the revised April 9th minutes and found them to be acceptable. Ms. Palamountain stated that she would be abstaining from voting on the approval of the April 9th minutes since she was not at the April 9th Commission meeting.

Commissioner Dunlop put forth a motion to adopt the April 9th minutes. Commissioner Romero seconded the motion.

ADOPTION: IT WAS MOVED BY MR. DUNLOP, SECONDED BY MR. ROMERO, THAT THE APRIL 9TH MINUTES BE ADOPTED, AND ON ROLL CALL, THE FOLLOWING SAID "AYE":

Mr. Dunlop
Mr. Romero

AND THE FOLLOWING VOTED "NAY":

Mr. King
Mr. Singh
Mr. Yee

AND THE FOLLOWING ABSTAINED:

Ms. Palamountain

AND THE FOLLOWING WERE ABSENT.

Ms. Walker

THE SECRETARY DECLARED THE RESULTS OF THE ROLL CALL VOTE, TWO (2) AYES, THREE (3) NAYS, ONE (1) ABSENTION, AND ONE (1) ABSENT.

THE ACTING PRESIDENT THEREUPON DECLARED THAT THE MOTION FAILED.

REGULAR AGENDA

- 4 (d) Resolution No. 87-2002, Authorizing a Letter Agreement with the Department of Public Works, Bureau of Construction Management, in an amount not to exceed \$500,000 to Provide Environmental, Geotechnical and Engineering Services on an as-needed basis; All Redevelopment Project Areas and other Designated Sites

Presenters: Su-Syin Chou (Agency staff)

ADOPTION: IT WAS MOVED BY MR. DUNLOP, SECONDED BY MR. SINGH, AND UNANIMOUSLY CARRIED (MS. WALKER ABSENT) THAT ITEM 4 (d) RESOLUTION NO. 87-2002, AUTHORIZING A LETTER AGREEMENT WITH THE DEPARTMENT OF PUBLIC WORKS, BUREAU OF CONSTRUCTION MANAGEMENT, IN AN AMOUNT NOT TO EXCEED \$500,000 TO PROVIDE ENVIRONMENTAL, GEOTECHNICAL AND ENGINEERING SERVICES ON AN AS-NEEDED BASIS; ALL REDEVELOPMENT PROJECT AREAS AND OTHER DESIGNATED SITES, BE ADOPTED.

- 4 (e) Resolution No. 88-2002, Authorizing the Executive Director to Execute a Construction Contract with Roebuck Construction, Inc., a California corporation, in an amount not to exceed \$340,004 for Construction of Improvements at the Children's Center Complex at Yerba Buena Gardens on Central Block Three (Parcel CB-3); Yerba Buena Center Redevelopment Project Area

Presenters: Ted Maniatis (Agency staff)

Speakers: Patrice Johnson, Jim Ciancaglini, Kari Novatney

Commissioner Singh asked who the contractor was and how many projects it had done with the City.

Mr. Ted Maniatis introduced Mr. Rory Murphy with Roebuck Construction and informed the Commission that the contractor had done work on the 5th and Mission Garage, the Carousel and Restaurant at the San Francisco Zoo, the Agency offices at 770 Golden Gate Avenue, and the Museum West retail store.

Acting President Palamountain wished the Childcare Center good luck.

ADOPTION: IT WAS MOVED BY MR. SINGH, SECONDED BY MR. DUNLOP, AND UNANIMOUSLY CARRIED (MS. WALKER ABSENT) THAT ITEM 4 (e) RESOLUTION NO. 88-2002, AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE A CONSTRUCTION CONTRACT WITH ROEBUCK CONSTRUCTION, INC., A CALIFORNIA CORPORATION, IN AN AMOUNT NOT TO EXCEED \$340,004 FOR CONSTRUCTION OF IMPROVEMENTS AT THE CHILDREN'S CENTER COMPLEX AT YERBA BUENA GARDENS ON CENTRAL BLOCK THREE (PARCEL CB-3); YERBA BUENA CENTER REDEVELOPMENT PROJECT AREA, BE ADOPTED.

- 4 (f) Resolution No. 89-2002, Authorizing the Termination of the Loan Program Agreement with Community Bank of the Bay, a California State chartered commercial bank, for the Administration of the Agency's Fillmore Jazz Preservation District Revolving Loan Program and Directing the Executive Director to take all necessary steps to enforce the Agency's rights following termination; Western Addition Redevelopment Project Area A-2

Presenters: Shirley Wysinger (Agency staff)

Speakers: Jim Reuben, Mary Helen Rogers, Derf Butler

Commissioner Romero asked if the remaining funds in the loan program were in jeopardy.

Executive Director Rosen responded that staff could not address the question because the Agency could not demand the funds until the loan program agreement had been terminated. The funds are in the bank consistent with the loan program agreement and should the Commission authorize termination, staff would pursue the return of the funds pursuant to the contract with the bank.

Commissioner Romero appreciated the Executive Director's response and put forth a motion to adopt item 4 (f).

Commissioner Dunlop seconded the motion and asked the following questions: (1) any information about the bank including their state of operation and solvency, (2) would there be interest included with the return of the funds, and (3) why was the Commission not advised of the status of the bank and the loan program.

Ms. Shirley Wysinger responded that the bank was still in operation and maintains an office in Oakland and was active in that community. Following authorization to terminate the loan program agreement, staff would pursue the return of Agency funds including accrued interest.

Executive Director Rosen pointed out that the Commission memorandum documented that staff was pursuing compliance by the bank and staff was diligently working with the bank and the Mayor's Office of Community Development to resolve the problems with the loan program. By April 25th, staff felt that it could no longer wait for the bank to perform, and sent a certified letter noticing a default and establishing a 20-day cure period, which led to the recommended termination of the loan program agreement before the Commission.

Commissioner Dunlop felt that the Commission should have been informed sooner of the problems with the loan program and echoed the public's sentiment about the importance of the loan program to the Western Addition community and urged staff to act expeditiously to replace the loan program with special attention to the specific needs of the community.

Commissioner Yee asked if the bank had any other branches in addition to the main branch in Oakland and if staff knew the bank's assets. Mr. Yee asked how much notice period was necessary. Mr. Yee shared his concern with the recovery of Agency funds and asked if there was any insurance on the funds. Mr. Yee supported the staff's recommendation to terminate the agreement.

General Counsel Bertha A. Ontiveros responded that the bank had only the main branch in Oakland and staff did not have information on the bank's assets.

Deputy General Counsel Andrico Penick responded that the agreement with the bank provided for a two-day notice and the bank was notified on May 23rd, so the agreement could be terminated immediately following the Commission's authorization to terminate. Mr. Penick informed the Commission that there was a standard federal insurance of \$100,000 per bank account and pointed out that the agreement with the bank included a standard Agency provision for general liability insurance of \$1 million, but the applicability of the liability insurance was not known until the agreement was terminated and recovery of the funds was pursued. Should there be any difficulty in recovering the funds, staff would schedule a Closed Session meeting with the Commission to evaluate the Agency's options.

Commissioner Yee recalled when the Agency entered into the agreement with Community Bank of the Bay and asked if staff conducted a careful review of the bank's qualifications and track record.

Executive Director Rosen explained that Community Bank of the Bay was a community development financial institution that specialized in community economic development activities and although the agreement predated her arrival at the Agency, Ms. Rosen understood that staff conducted a thorough evaluation of the bank's mission, purpose and capabilities that led to the Commission's approval of the agreement.

Commissioner Yee asked when the bank was established and if staff knew the bank's track record and experience in Oakland. Mr. Yee hoped that the bank does not go in default or go out of business and staff should ensure that the Fillmore community has the best economic development program from the most qualified bank.

Executive Director Rosen offered to provide the Commission staff's analysis of the bank at the time the agreement was entered into and pointed out that at that time, the bank was deemed to have a good track record and the agreement was entered into with a lot of optimism for a successful loan program.

Commissioner King supported the Executive Director's recommendation to terminate and advised the Commission to dispense with the termination of the agreement first, and then deal with the questions regarding recovery of the funds and pointed out that as the Executive Director had stated, the Agency could not proceed until the agreement was terminated. Mr. King recalled many meetings on the matter before implementing the loan program and pointed out that staff did not do anything wrong and the program just did not work.

Acting President Palamountain asked if staff had an estimate for establishing a new loan program and if staff had any interim plan for managing the outstanding loans of \$165,000.

Executive Director Rosen responded that staff could not discuss a new loan program while the Agency was still in a contract with Community Bank of the Bay. Staff would continue to consult with the Mayor's Office of Community Development to look for the best way to revive the loan program and would bring the matter of the existing loans before the Commission following termination of the agreement.

Deputy General Counsel Penick informed the Commission that the contract with Community Bank of the Bay allowed for the bank to manage the existing loans as well as the return to the Agency of any unspent funds, and following termination of the agreement, specific actions to manage the existing loans and the establishment of a new loan program would be looked at and brought before the Commission.

ADOPTION: IT WAS MOVED BY MR. ROMERO, SECONDED BY MR. DUNLOP, AND UNANIMOUSLY CARRIED (MS. WALKER ABSENT) THAT ITEM 4 (f) RESOLUTION NO. 89-2002, AUTHORIZING THE TERMINATION OF THE LOAN PROGRAM AGREEMENT WITH COMMUNITY BANK OF THE BAY, A CALIFORNIA STATE CHARTERED COMMERCIAL BANK, FOR THE ADMINISTRATION OF THE AGENCY'S FILLMORE JAZZ PRESERVATION DISTRICT REVOLVING LOAN PROGRAM AND DIRECTING THE EXECUTIVE DIRECTOR TO TAKE ALL NECESSARY STEPS TO ENFORCE THE AGENCY'S RIGHTS FOLLOWING TERMINATION; WESTERN ADDITION REDEVELOPMENT PROJECT AREA A-2, BE ADOPTED.

- 4 (g) Resolution No. 90-2002, Authorizing a Second Amendment to the Personal Services Contract with McCoy's Patrol Service Increasing the maximum compensation by \$40,000, for a total aggregate amount not to exceed \$400,000, to Modify the Scope of Services to Provide for Security Services at Agency property located at 4800 Third Street; Bayview Hunters Point Redevelopment Survey Area

Presenters: June Bartholomew

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. ROMERO, AND UNANIMOUSLY CARRIED (MS. WALKER ABSENT) THAT ITEM 4 (g) RESOLUTION NO. 90-2002, AUTHORIZING A SECOND AMENDMENT TO THE PERSONAL SERVICES CONTRACT WITH MCCOY'S PATROL SERVICE INCREASING THE MAXIMUM COMPENSATION BY \$40,000, FOR A TOTAL AGGREGATE AMOUNT NOT TO EXCEED \$400,000, TO MODIFY THE SCOPE OF SERVICES TO PROVIDE FOR SECURITY SERVICES AT AGENCY PROPERTY LOCATED AT 4800 THIRD STREET; BAYVIEW HUNTERS POINT REDEVELOPMENT SURVEY AREA, BE ADOPTED.

- 4 (h) Workshop on the Schematic Design for the South Beach Park and Harbor Improvement Project; Rincon Point-South Beach Redevelopment Project

Presenters: Amy Neches (Agency staff), Jacinta McCann (EDAW), Doug Tom (Architect), Byron Rhett (Port of San Francisco)

Speakers: Mike Kastrop, Michael Sweet, Richard Forst, Richard Dickerson, Jim Haas, Dylan Young, Shelley Carroll, Andrew Brooks

Commissioner Romero complimented the design team for the great drawings and graphics. Mr. Romero stated that it was clear on the plans that the sailing ship did not fit along the promenade. Mr. Romero inquired about the anticipated use for the proposed community room and how many people could be accommodated, and asked about the timeline for project completion.

Ms. Amy Neches responded that the proposed community space was about 1,000 square feet and could accommodate about 65 people. The community room would be used for CAC meetings, other tenant groups in the neighborhood as well as children's parties and general community meetings. Ms. Neches added that the facility would have public restrooms. The schematic approval was scheduled to come before the Commission in July, followed by the preparation of construction drawings within one year.

Commissioner Singh had the same question about the proposed community room and asked if reservations were needed to use the space, and asked how often did the CAC meet. Mr. Singh remarked that it was a good project and commended staff for its hard work. Mr. Singh asked why the Agency was spending a lot of money on the project when it would be transferred to the Port of San Francisco, and if the Port would contribute to funding of the project. Mr. Singh also asked if contractors for the project had been hired.

Ms. Amy Neches responded that the community room was not intended for commercial use and reservations would be booked through the Harbor Master's office. The CAC generally meets once a month. Ms. Neches explained that the South Beach Harbor property was being leased by the Agency from the Port of San Francisco and the agreement with the Port states that the Agency would use the powers of redevelopment including tax increment financing to make improvements, including public improvements to the project area and then return it to the Port once the project improvements were completed, thereby fulfilling the Agency's obligations to the Port under the Redevelopment Plan. The \$10 million of needed to develop the project had already been allocated and approved by the Commission, the Board of Supervisors and the State of California. The additional funds necessary to complete the project would be sought in future budget years, but staff would be looking at utilizing tax increment dollars that have been generated in the Rincon Point – South Beach Project Area as the primary funding source. Staff was in discussion with the Port about monetary contributions, including in-kind contributions in the form of Port staff expertise in engineering and project management for the pier repairs. Ms. Neches informed the Commission that contractors for the project had not been hired and that was going to occur in about one year and would be done in a competitive public bidding process.

Commissioner Dunlop thanked Amy Neches and James Nybakken for their hard work as well as Agency staff's work on the excellent collaborative efforts with the Port of San Francisco and the CAC. Mr. Dunlop was very excited about the project and looked forward to its completion, especially the accessibility for disabled sailors. Mr. Dunlop inquired about the reported deterioration of the pier pilings on Pier 40.

Ms. Amy Neches responded that detailed engineering studies on the condition of the pier have been performed. Pier 40 was originally built as a break-bulk pier with a load-bearing capacity of 600 pounds per square foot, which was far in excess of the proposed uses for the pier. Ms. Neches assured the Commission that there was no public safety issues and the deterioration did not pose a dangerous condition. The pier pilings were made of steel with concrete wrapping and some of the concrete that had deteriorated would be repaired.

Commissioner King expressed his dissatisfaction about the proposed project and stated that he did not see any affirmative action and not one minority consultant other than the Architect and Byron Rhett (from the Port). Mr. King wanted a report on the composition of the harbor renters as well as the consultants working on the project, and reiterated his concern with the lack of minority participation on the project.

Acting President Palamountain reiterated that Commissioner King had requested some information and suggested that staff provide the information in written reports. Ms. Palamountain requested staff to provide additional documentation on the existing uses as well as the proposed future uses for the South Beach Harbor and Pier 40 areas.

Commissioner Yee was happy to see Byron Rhett and thought that it was a wonderful project. Mr. Yee looked forward to the completion of the Harbor project and complimented the excellent design team and the outstanding work of the CAC. Mr. Yee suggested that a plaque commemorating the Agency's work and contributions to the project be prepared before the project was transferred to the Port. Mr. Yee lent his enthusiastic support for the project.

Acting President Palamountain thanked Agency and Port staff for the collaboration on the project, the design team for the excellent design as well as Ms. Jacinta McCann's presentation, the project architect for the building design, and remarked that the building design was wonderful.

4 (i) Workshop on the Affordable Homeownership Programs

Presenters: Olson Lee (Agency staff)

Speakers: Mary Helen Rogers, Lucrezia Roberts, Felisha Madaris, Ozel Griffin, Donnetter E. Lane, Regina Rodney

Commissioner Yee did not realize that several members of the public have been waiting for the workshop item and had he known, he would have requested to take the matter up earlier, and apologized to the people that have been waiting for the item. Mr. Yee thought that the public's testimony about the homeownership program made a lot of sense, and stated that the Agency's Affordable Homeownership Program was a great idea and was intended to assist first-time homebuyers who would otherwise not be able to purchase a home, but suggested that the Agency could do a much better job in administering the program and working with the community. Mr. Yee asked the following questions: (1) what was the basis for the \$20,000 developer profit used in the presentation, (2) what was the method used in calculating the Agency's share of 11 percent, and (3) were home improvements and property tax payments deductible. Mr. Yee opined that

homeowners that improve their homes or make repairs should be able to share in the appreciation of the property. Mr. Yee suggested that staff should do a better job of educating the public and to improve outreach to the community about the homeownership program and felt that it was an oversight on staff's part to not conduct workshops with the community.

Mr. Olson Lee responded that the \$20,000 profit number was a hypothetical example, as well as the 11 percent Agency share, which was based upon a mathematical calculation of the value of the property. Mr. Lee explained that property tax payments were the obligation of the homeowners and the repairs done by the homeowners were not deductible, but improvements to the property were reflected in the appraisal, and pointed out that improvements to the homes were depreciated over time.

Commissioner Romero thanked Olson Lee for the workshop and observed that the Agency had a successful rental subsidy program for low-income people and was not sure why the Agency had such a program for homeownership in the first place, given the negative testimony that the Commission heard and the fact that the Agency had limited financial resources to use for such a program. Mr. Romero commented that there seemed to be misinformation about the program particularly in Candlestick View.

Mr. Olson Lee responded that the Agency's goal was to achieve a balance of rental and ownership housing units in the Bayview community and agreed with Commissioner Romero's statements that one of the biggest issues facing the Agency as well as the City was the policy matter regarding allocation of scarce funds to such a program for affordable homeownership.

Commissioner Romero preferred that the Agency use its limited financial resources to serve the neediest of the population, beginning with the homeless and people of the lowest income and perhaps not even have an Affordable Homeownership Program because of the negative testimony that was heard and the complexities of implementing such a program.

Commissioner King thought that the homeownership program was a good idea and recalled many workshops on the program. Mr. King shared his own experience of investing in the St. Francis Cooperative and understood that his share in the value of the property was limited, as in the case of the Candlestick View homeownership program. Mr. King acknowledged that mistakes may have been made, but was not sure what the Agency could do to resolve the homeowners' problems, and pointed out that the Agency's program was a good program, but the intent of the program was not to make a profit on the purchase of the affordable homes.

Executive Director Rosen agreed with Commissioner King's statements that the intent of the program was to provide some of the benefits of homeownership and to limit the profit on the property. With respect to what the Agency could do to help resolve the issue, Ms. Rosen reminded the Commission that there was a calendared Closed Session item specifically to discuss the Candlestick View matter. Ms. Rosen added that there was tension between the expectations of some participants of realizing a large profit on their home given the rise in real estate values in San Francisco, and the program goals of assisting first-time homebuyers with limited incomes in purchasing their first homes, and realizing a return on the public subsidy to assist subsequent homebuyers.

Commissioner Dunlop thanked the public for coming to the meeting and staying to give their testimonies. Mr. Dunlop assured the public that he heard their testimony and was aware of their concerns. Mr. Dunlop recognized that buying a home for the first time was a big step and in the case of Candlestick View, was complicated by a partnership with the government. Mr. Dunlop stated that it was important to provide every detail of the transaction to all participants of the program, in particular the homebuyer, to ensure that people understand their obligations and limitations under the program. Mr. Dunlop pointed out that the program was intended for people who could not obtain financing elsewhere for the purchase of a home.

Commissioner Yee asked if the qualification standard for the program could be lowered to between 60 to 70 percent from 100 percent of the median income.

Mr. Olson Lee responded that 100 percent of median income was the ceiling income level and in fact had lowered the income level to 65 percent of median income and staff continued to work on serving people at the 50 percent level.

Commissioner Singh thanked staff for an educational workshop about the Affordable Homeownership Program and asked for the number of first-time homebuyers that the Agency's program had served, and if the Agency had a list of prospective buyers for proposed ownership developments. Mr. Singh also asked if the Agency disclosed everything about the program to the homebuyers.

Mr. Olson Lee responded that since the inception of the program in 1997, the Agency had developed or assisted in the development of 200 affordable ownership units and a total of 600 units before 1997. Mr. Lee informed the Commission that the following ownership developments were in the pipe line that would be part of the Agency's Affordable Homeownership

Program: 1009 Mission and 474 Natoma in South of Market, Site X and Site EE-2 in Bayview. Mr. Lee stated that the Agency's goal was to disclose everything about the program and assured the Commission that staff heard loud and clear the concerns raised by the public and would redouble the efforts to ensure a thorough understanding of the provisions of the program.

Commissioner Romero understood the broader picture when he heard the scope of the program and the number of affordable ownership units that have been developed by the Agency. Mr. Romero clarified that his earlier statements were not to be misconstrued as criticisms about the program or the Agency staff, given that this was the first time that the Agency had complaints about its affordable homeownership program, and opined that the Agency had done a good job facilitating the program.

Acting President Palamountain thanked staff for the workshop and observed that the affordable ownership developments that the Agency had done contain deep levels of subsidies for example, \$7 million for 101 Valencia, \$1.1 million for Bell Mews and \$2.7 million for Candlestick View. Ms. Palamountain asked if these subsidies were for the cost of construction. Ms. Palamountain also asked the following questions: (1) for the subsidized ownership developments, was the Agency a co-sponsor or an investor, (2) does the Agency lose money on the resale of the homes, and (3) describe how land leases work. Palamountain stated that she supported the goals of the program in particular, the goal of establishing stability for the homebuyers to own the homes for 30 or 40 years and longer to promote long-term homeownership, and maintaining the affordability of the homes from the first homebuyer to the next. Ms. Palamountain expressed concern with the long-term maintainability of the resale of the homes given the extremely high cost of subsidizing subsequent homebuyers to maintain the affordability levels.

Mr. Olson Lee responded that the Agency subsidies include the cost of construction and the second mortgages. The Agency was indeed a sponsor for the developments, but really functioned as a lender for the homes. The Agency did lose money on the resale of the homes because at the time of resale there would be a higher market value that required additional subsidies. Mr. Lee stated that the land lease model took the cost of the land, which was a significant portion of the total housing costs, out of the equation, thereby making the unit that much more affordable. In addition, there would be greater controls on the resale of the homes because portions of the increase in the property values were tied with the land.

Acting President Palamountain asked the Executive Director if there were any proposed next steps and a timeline.

Executive Director Rosen stated that the workshop was intended to provide the Commission with an understanding of the different models of implementing an affordable homeownership program and to have a look at how the numbers worked. Agency staff was working on a parcel in the Western Addition that was formerly known as the Podiatry College to develop between 18 to 20 affordable ownership homes and staff would be looking at the various models to best achieve the goals of the program. In Mission Bay, the affordable homeownership developments would utilize a restricted sales price model instead of a shared appreciation model. By the end of the year, staff hoped to bring before the Commission a housing development, also in Mission Bay that would employ one of the models that were presented. Some of these models were similar to the Agency's preservation program that used the land lease model to maintain the affordability levels. Ms. Rosen stated that a variety of development projects would be brought to the Commission that would include examples of the models so that the Commission could evaluate the merits of the proposed changes to the program and address the concerns raised by the public and the Commission.

5. **MATTERS NOT APPEARING ON AGENDA** - None.

6. **PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA BUT AGENCY RELATED MATTERS**

- Mary Helen Rogers, Gwen Lane, Lucrezia Roberts, Felisha Madaris, Regina Rodney, Crystal Morris, Mary L. Tramil, Tonia Randell, Terrence Roberts, David Lanham, Ozel Griffin

7. **REPORT OF THE PRESIDENT**

- Acting President Palamountain thanked the people from Candlestick View and assured them that she understood their frustrations and concerns. Ms. Palamountain advised them that if the Commission took action at the Closed Session meeting, there would be a public report provided at the next Commission meeting. Ms. Palamountain offered to attend, if invited, to a homeowner's meeting of the Candlestick View homeowners.
- Announced that there would not be a Commission meeting on June 4th and the next regular meeting would be on June 11th.

- Reported conversations with Bindlestiff Studios and how happy they were with Agency staff's cooperation, particularly Bill Carney, Olson Lee, and June Bartholomew.

8. REPORT OF THE EXECUTIVE DIRECTOR

- Commissioner Romero's reappointment to the Agency Commission was unanimously adopted by the Board of Supervisors at its May 28th meeting.
- May 30th at 6:00 p.m., community meeting to discuss the proposed housing development at the site of the former College of Podiatry.
- May 30th at 2:30 p.m., ribbon-cutting for 165 Eighth Street
- June 1st from 11:00 a.m. to 6:00 p.m., Bayview Hunters Point Block Party at the King Swimming Pool.
- June 11th at 11:30 a.m., grand opening of 864 Ellis Street, a development of 25 units of housing for formerly homeless youth, sponsored by TNDC and Larkin Youth Center.

9. COMMISSIONERS QUESTIONS AND MATTERS

- Commissioner Yee inquired about the April 9th minutes and asked if they had been revised because he did not see the revisions.

Executive Director Rosen responded that a redline version of the April 9th minutes would be provided to the Commission so to highlight the revisions made by the Commission Secretary.

- Commissioner Dunlop reiterated that he heard the public's testimony about Candlestick View and cared about their concerns and pointed out that the Affordable Homeownership workshop was a general workshop to inform the Commission and the public about the program. Mr. Dunlop suggested that Commissioners provide their proposed revisions to the April 9th minutes and the Commission could then take a vote to approve them.
- Commissioner King observed that the Commission meeting had gone on too long and people had to wait and felt that scheduling of Agenda items should bear in mind the length of the meeting and the public's participation.

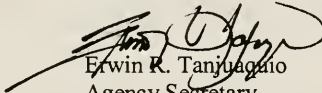
10. CLOSED SESSION

- (a) Pursuant to Government Code § 54956.9(b): Conference with Legal Counsel regarding anticipated litigation: one potential case
- (b) Pursuant to Government Code § 54956.8 to instruct the Agency's real property negotiators regarding Purchase of the Univista Apartments, 1340 Turk Street, Western Addition Redevelopment Project Area A-2. Property Owner: L & L Enterprises: Agency Negotiators: Olson Lee, Sean Spear and Michele Davis.
- (c) Pursuant to Government Code § 54956.8 to instruct the Agency's real property negotiators with respect to lease rent and terms of payment. The property is located at 4800 Third Street, San Francisco in the Bayview Hunters Point Redevelopment Survey Area and the potential lessee with whom the Agency may negotiate is MUNI-S.F. Municipal Railway. Agency negotiators: Olson Lee, Matt Schwartz, Stan Muraoka and June Bartholomew.
- (d) Pursuant to Government Code § 54956.9(a): Conference with Legal Counsel regarding litigation: Jauernick, et al. v. the Redevelopment Agency of the City and County of San Francisco, et al, San Francisco County Superior Court Action No. 407109.

11. ADJOURNMENT

It was moved by Mr. Dunlop, seconded by Mr. King, and unanimously carried that the meeting be adjourned. The meeting adjourned at 9:59 p.m.

Respectfully submitted,


Erwin R. Tanguiano
Agency Secretary

APPROVED:

June 11, 2002

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
11TH DAY OF JUNE 2002

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at City Hall, 1 Dr. Carlton B. Goodlett Place, Room 416, in the City of San Francisco, California, at 4:00p.m. on the 11th day of June 2002, at the place and date duly established for holding of such a meeting.

President Chantel L. Walker called the meeting to order at 4:08 p.m. President Walker welcomed members of the public and asked that cell phones and pagers be turned off during the meeting.

1. RECOGNITION OF A QUORUM

The Commission Secretary announced the presence of a quorum with the following Commissioners present.

Chantel L. Walker, President
Kathryn C. Palamountain, Vice President
Mark Dunlop
Leroy King
Ramon E. Romero
Darshan Singh
Benny Y. Yee

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Marcia Rosen, Executive Director and staff members were also present.

2. REPORT ON ACTIONS TAKEN AT PREVIOUS CLOSED SESSION MEETING, IF ANY.

- (a) Settlement Authority Approved by the Commission at the May 28, 2002 Closed Session Item 10 (d) Pursuant to Government Code § 54956.9(a): Conference with Legal Counsel regarding litigation: Jauernick, et al. v. the Redevelopment Agency of the City and County of San Francisco, et al, San Francisco County Superior Court Action No. 407109.

Executive Director Rosen reported that the plaintiff, property owners at 663 Natoma Street have brought suit against the Agency, the developers and the general contractors for damage to the foundation of their property allegedly as a result of construction work performed by the general contractor for the adjacent Agency affordable housing project at 1166 Howard Street. The Commission had authorized the Executive Director to execute the Settlement and Release Agreement on the following terms: (1) Developers and

contractors are to pay plaintiffs the total sum of \$45,000; (2) No monetary contribution from the Agency; (3) General contractors are to perform certain remedial work to plaintiffs' foundation (at no cost to the Agency); (4) Plaintiffs waive all claims and dismiss their lawsuit with prejudice; and (5) each side to bear their own attorneys fees and costs.

3. **MATTERS OF UNFINISHED BUSINESS:**

CONTINUED FROM THE APRIL 23, AND MAY 14, 2002 MEETING

- (a) Resolution No. 69-2002, Approving the Revision of the Agency's Purchasing Policy for Legal Contracts to Defend Complaints, Claims, and Litigation filed against the Agency; All Redevelopment Project Areas

Executive Director Rosen informed the Commission that staff was recommending an indefinite continuance for item 3 (a). Ms. Rosen explained that the Agency received a letter from the Coalition of Economic Equity that raised some general questions for additional data and policy review reflecting potential changes to the Agency's Purchasing Policy. Staff would like to have the time to gather the data, meet with the coalition and convene a meeting in early July of the Agency's Working Group where Commissioners King and Singh represent the Commission. Staff would like the additional time to work with the Working Group and report back to the Commission with recommendations.

MOTION: IT WAS MOVED BY MR. DUNLOP, SECONDED BY MS. PALAMOUNTAIN, AND UNANIMOUSLY CARRIED THAT ITEM 3 (a) RESOLUTION NO. 69-2002, APPROVING THE REVISION OF THE AGENCY'S PURCHASING POLICY FOR LEGAL CONTRACTS TO DEFEND COMPLAINTS, CLAIMS, AND LITIGATION FILED AGAINST THE AGENCY; ALL REDEVELOPMENT PROJECT AREAS, BE CONTINUED INDEFINITELY.

CONTINUED FROM THE APRIL 30, 2002 MEETING

- (b) Resolution No. 71-2002, Authorizing an Amendment to the Agency's Housing Participation Policy to Amend the Housing Participation Requirements for all residential developments; All Redevelopment Project Areas

Presenters: Olson Lee (Agency staff)

Speakers: Mark Topetcher, Tammy Conners, Gene Wang, Alice Barkley, John McInerney, Jim Chappell, Oz Erickson, Bob Planthold, Mary Helen Rogers, Jim Lowder, Michael Klestoff, Michael Patton, Joe O'Donoghue, Robert Speer, Margaret Verges, Rob Eshelman

Commissioner Palamountain thanked the public for its attendance at the meeting on a very important issue. Ms. Palamountain stated that the health and safety nexus between the Agency's housing participation requirements and the health and safety of the community was very important because the marginalization of neighborhoods into serving all one type of socio-economic group comes because there were not inclusionary housing policies across neighborhoods and cities. Only certain persons could afford to live in certain neighborhoods and chose not to live with people of various socio-economic classes by pricing them out of the neighborhoods. An inclusionary housing program ultimately benefits everyone by integration across many lines, but most important of all, socio-economic lines. Ms. Palamountain addressed the allegation that the Agency's proposed housing participation policy had a sweeping nature and confirmed that the Agency already imposed a 15% affordability requirement required by State Law on housing developments in project areas that the Agency worked in, and the proposed housing participation policy was merely increasing that requirement by five percent. Ms. Palamountain asked if notices of the Agency Commission's meeting agenda were sent to the community and if community meetings were held on the subject of the proposed housing participation policy.

Executive Director Rosen stated that the Agency imposed the 15% affordability requirement and explained that State Law further specified that a way of achieving this requirement was to impose an inclusionary requirement on housing developments. Ms. Rosen explained that the Agency in many instances imposed a lower affordability requirement, for example level one OPAs were required a 10% requirement with the understanding of achieving higher requirements for the affordability levels of the housing units in exchange for granting height variances and density bonuses to the private owner. Ms. Rosen added that the proposed policy provided waiver provisions that may reduce the affordability requirement, but were more restrictive than those of the City's inclusionary housing ordinance because the intent was to achieve redevelopment purposes and additional community benefits as part of the housing developments. Ms. Rosen confirmed that the Commission meeting agenda was sent to the community, in addition to providing relevant material to members of the public that requested the information, and there were no community meetings held on the matter.

Commissioner Palamountain lent her support for inclusionary housing and that it made sense for the Agency's policy to mirror that of the City.

Commissioner Dunlop thanked the public for coming to the meeting and that it was good to hear from the people that were affected by the Agency's policy. Mr. Dunlop thought that the Agency's proposed policy would reflect the City

Ordinance and was confusing to hear that the City's Ordinance did not contain grandfather provisions. Mr. Dunlop thought that intent was to have grandfather provisions and suggested to get clarification from Supervisor Leno's office.

Commissioner Dunlop put forth a motion to continue the matter for two weeks, to the meeting of June 25th. Commissioner King seconded the motion.

Commissioner King agreed with Commissioner Dunlop's statements and that he was also confused to hear that there were no grandfather provisions in the City Ordinance. Mr. King stated that the Mayor wanted the Agency Commission to put the matter over and to add the grandfather provisions. Mr. King supported the continuance of the matter and suggested to hold community meetings so that the public was informed.

Commissioner Yee opined that a two-week continuance did not seem adequate to schedule community meetings and suggested a friendly amendment to continue the matter to July 9th. Commissioner Dunlop accepted the friendly amendment.

Commissioner Romero agreed that additional time was necessary to resolve the grandfather provisions issue, among other things and supported the continuance.

President Walker stated her support for inclusionary housing and was compelled by the public's testimony to address the concerns that were raised. Ms. Walker supported the continuance of the matter to allow staff to schedule the community meetings.

MOTION: IT WAS MOVED BY MR. DUNLOP, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT CONSIDERATION OF RESOLUTION NO. 71-2002, AUTHORIZING AN AMENDMENT TO THE AGENCY'S HOUSING PARTICIPATION POLICY TO AMEND THE HOUSING PARTICIPATION REQUIREMENTS FOR ALL RESIDENTIAL DEVELOPMENTS; ALL REDEVELOPMENT PROJECT AREAS, BE CONTINUED TO THE MEETING OF JULY 9, 2002.

4. MATTERS OF NEW BUSINESS:

CONSENT AGENDA

- 4 (a) Approval of Minutes: Meeting of May 28, 2002.

- 4 (b) Resolution No. 91-2002, Declaring the Intention to Reimburse Expenditures from the Proceeds of Obligations to be issued by the Redevelopment Agency of the City and County of San Francisco
- 4 (c) Resolution No. 92-2002, Authorizing a Second Amendment to a Loan Agreement with Conard Housing Development Corporation, a California nonprofit public benefit corporation, Extending the completion schedule for the Rehabilitation of 16 beds of extremely low-income rental housing at 3327-3331 26th Street; Citywide Tax Increment Housing Program
- 4 (d) Resolution No. 93-2002, Authorizing a First Amendment to the Letter Agreement with the San Francisco Department of Public Works, which Increases the maximum amount of compensation payable by the Agency, by \$100,000, for an aggregate amount not to exceed \$210,000, for services related to environmental remediation; Mission Bay North and South Redevelopment Project Areas

ADOPTION: IT WAS MOVED BY MR. ROMERO, SECONDED BY MR. YEE, AND UNANIMOUSLY CARRIED THAT CONSENT AGENDA ITEMS 4 (a) APPROVAL OF MINUTES: MEETINGS OF MAY 28, 2002, 4 (b) RESOLUTION NO. 91-2002, DECLARING THE INTENTION TO REIMBURSE EXPENDITURES FROM THE PROCEEDS OF OBLIGATIONS TO BE ISSUED BY THE REDEVELOPMENT AGENCY OF THE CITY AND COUNTY OF SAN FRANCISCO, 4 (c) RESOLUTION NO. 92-2002, AUTHORIZING A SECOND AMENDMENT TO A LOAN AGREEMENT WITH CONARD HOUSING DEVELOPMENT CORPORATION, A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION, EXTENDING THE COMPLETION SCHEDULE FOR THE REHABILITATION OF 16 BEDS OF EXTREMELY LOW-INCOME RENTAL HOUSING AT 3327-3331 26TH STREET; CITYWIDE TAX INCREMENT HOUSING PROGRAM, AND 4 (d) RESOLUTION NO. 93-2002, AUTHORIZING A FIRST AMENDMENT TO THE LETTER AGREEMENT WITH THE SAN FRANCISCO DEPARTMENT OF PUBLIC WORKS, WHICH INCREASES THE MAXIMUM AMOUNT OF COMPENSATION PAYABLE BY THE AGENCY, BY \$100,000, FOR AN AGGREGATE AMOUNT NOT TO EXCEED \$210,000, FOR SERVICES RELATED TO ENVIRONMENTAL REMEDIATION; MISSION BAY NORTH AND SOUTH REDEVELOPMENT PROJECT AREAS, BE ADOPTED.

REGULAR AGENDA

- 4 (e) Resolution No. 94-2002, Authorizing an Amendment to the Agency's Fiscal Year 2001-2002 Budget (Resolution No. 34-2001, adopted February 27, 2001), a Cooperation Agreement with the City and County of San Francisco, and Amending the Agency's Statement of Indebtedness for Fiscal Year 2001-2002

Presenters: Mario Menchini (Agency staff), Ben Rosenfield (Mayor's Budget Office)

ADOPTION: IT WAS MOVED BY MR. DUNLOP, SECONDED BY MR. SINGH, AND UNANIMOUSLY CARRIED THAT ITEM 4 (e) RESOLUTION NO. 94-2002, AUTHORIZING AN AMENDMENT TO THE AGENCY'S FISCAL YEAR 2001-2002 BUDGET (RESOLUTION NO. 34-2001, ADOPTED FEBRUARY 27, 2001), A COOPERATION AGREEMENT WITH THE CITY AND COUNTY OF SAN FRANCISCO, AND AMENDING THE AGENCY'S STATEMENT OF INDEBTEDNESS FOR FISCAL YEAR 2001-2002, BE ADOPTED.

Items 4 (f) and (g) are presented together and acted upon separately.

- 4 (f) Resolution No. 95-2002, Authorizing the Executive Director to Exercise an Option to Lease Property and to Execute a Lease with the Port of San Francisco for a portion of Parcel N-2 (Rempp Sailing Ship site); Rincon Point-South Beach Redevelopment Project
- 4 (g) Resolution No. 96-2002, Authorizing the Executive Director to Exercise a Letter Agreement with the Port of San Francisco for Removal of the Rempp Sailing Ship and for Related Improvements as part of the South Beach Park and Harbor Improvement Project; Rincon Point-South Beach Redevelopment Project

Presenters: James Nybakken (Agency staff)

Speakers: Richard Dickerson, Andrew Brooks

ADOPTION: IT WAS MOVED BY MR. ROMERO, SECONDED BY MS. PALAMOUNTAIN, AND UNANIMOUSLY CARRIED THAT ITEM 4 (f) RESOLUTION NO. 95-2002, AUTHORIZING THE EXECUTIVE DIRECTOR TO EXERCISE AN OPTION TO LEASE PROPERTY AND TO EXECUTE A LEASE WITH THE PORT OF SAN FRANCISCO FOR A PORTION OF PARCEL N-2 (REMPP SAILING SHIP SITE); RINCON POINT-SOUTH BEACH REDEVELOPMENT PROJECT, BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. SINGH, SECONDED BY MR. ROMERO, AND UNANIMOUSLY CARRIED THAT ITEM 4 (g) RESOLUTION NO. 96-2002, AUTHORIZING THE EXECUTIVE DIRECTOR TO EXERCISE A LETTER AGREEMENT WITH THE PORT OF SAN FRANCISCO FOR REMOVAL OF THE REMPP SAILING SHIP AND FOR RELATED IMPROVEMENTS AS PART OF THE SOUTH BEACH PARK AND HARBOR IMPROVEMENT PROJECT; RINCON POINT-SOUTH BEACH REDEVELOPMENT PROJECT, BE ADOPTED.

- 4 (h) Resolution No. 97-2002, Authorizing a Fifth Amendment to the Personal Services Contract with Agape Outreach Center, a California nonprofit public benefit corporation, Extending the term of the contract to December 6, 2002 and Increasing the amount of the contract by an amount not to exceed \$135,760.25 for a total aggregate amount not to exceed \$505,276.69; Citywide Tax Increment Housing Program

Presenters: Sean Spear (Agency staff), Carmen Johnson (Agape)

Speakers: Mary Helen Rogers

Commissioner Romero asked why there was not a staff recommendation on the Commission memorandum to approve the contract amendment.

Executive Director Rosen stated that staff informed her that the Commission initiated the original contract with Agape and the funding deadline reflected the Commission's procurement policy of a three-year time limit for a sole-source contract, and that was why there was no staff recommendation. The original contract was to provide seed money for the development of the organization and Agency staff had worked with Agape to redefine the scope of their contract toward greater self-sufficiency for the organization.

Commissioner King recalled that the Commission did recommend the contract for Agape to help them become a non-profit developer and started them out with a partnership with A.F. Evans, but Agape was yet to have its own development project in the past three years. The original proposal was for Agape to get involved directly and on their own with the Agency's Affordable Housing Preservation Program. Mr. King recalled that the Agency helped along Mission Housing Development Corporation when it first started and now had enough experience to be on their own, and the Agency should provide the same assistance to Agape and allocate the necessary funds.

Executive Director Rosen explained that the Agency's Preservation Program had been very successful because of the Commission's diligence and proactive policies in the preservation of affordable housing and although all of the subsidized housing in the City had not yet been preserved, the scope of the preservation work had been reduced significantly. Agape's work on community education and the resident capacity program was nearly completed and staff was helping them move towards organizational development and increasing their capacity as a non-profit affordable housing developer.

President Walker recalled the Commission approving a contract extension for Agape a few months ago and asked if Agape would be in a position to raise funds by the end of the new contract term of December 2002. Ms. Walker asked what staff expected from Agape at the end of its contract, and would staff lend its expertise to help Agape develop organizationally, in addition to consultants.

Executive Director Rosen affirmed that the Commission approved a contract extension for Agape for a short period of time in order to develop a scope of work that led to the contract amendment before the Commission. Ms. Rosen informed the Commission that Agape would be working on developing an organizational strategic plan that would focus their work on organizational development leading to the opportunity to apply for funding for housing developments that they would work on, and they would also have the opportunity to respond to RFPs to provide outreach and supportive services to housing development projects. Ms. Rosen stated that Agency staff would continue to work with Agape to reach their goals as specified in the current scope of work under the proposed contract amendment.

ADOPTION: IT WAS MOVED BY MR. YEE, SECONDED BY MR. SINGH, THAT ITEM 4 (h) RESOLUTION NO. 97-2002, AUTHORIZING A FIFTH AMENDMENT TO THE PERSONAL SERVICES CONTRACT WITH AGAPE OUTREACH CENTER, A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION, EXTENDING THE TERM OF THE CONTRACT TO DECEMBER 6, 2002 AND INCREASING THE AMOUNT OF THE CONTRACT BY AN AMOUNT NOT TO EXCEED \$135,760.25 FOR A TOTAL AGGREGATE AMOUNT NOT TO EXCEED \$505,276.69; CITYWIDE TAX INCREMENT HOUSING PROGRAM, BE ADOPTED AND ON ROLL CALL, THE FOLLOWING VOTED "AYE":

Mr. Dunlop
Mr. King
Mr. Singh
Mr. Yee
Ms. Walker

AND THE FOLLOWING VOTED “NAY”:

Ms. Palamountain
Mr. Romero

THE SECRETARY DECLARED THE RESULTS OF THE ROLL CALL VOTE, FIVE (5) AYES AND TWO (2) NAYS.

THE PRESIDENT THEREUPON DECLARED THAT RESOLUTION NO. 97-2002 WAS ADOPTED.

5. **MATTERS NOT APPEARING ON AGENDA** - None.

6. **PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA BUT AGENCY RELATED MATTERS**

- Mary Helen Rogers, Essie Collins, Rev. Tod Frazier, Carmen Johnson

7. **REPORT OF THE PRESIDENT**

- President Walker congratulated Sean and Amy Spear on their newborn son. Ms. Walker also congratulated Marcia Rosen on her first year as the Agency’s Executive Director.
- Ms. Walker thanked staff for the presentations and acknowledged their expertise and capabilities to assist various community groups in furthering the Agency’s work.

8. **REPORT OF THE EXECUTIVE DIRECTOR**

- Executive Director Rosen reported on the following matters:
 1. Parcel 714-A closing, groundbreaking within one month
 2. Parcel 732-A community meeting scheduled for June 26th from 6:00 to 8:00 p.m. at the Westbay Community Center, 1290 Fillmore Street
 3. 864 Ellis Street grand opening held June 11th – 24 units for at risk youth, sponsored by TNDC and Larking Youth Center
 4. One Church Street grand opening scheduled for June 28th at 11:30 a.m.

5. Juneteenth Festival on June 16th and 17th – Mayor Willie L. Brown, Jr. to kick-off the event at the City Hall Rotunda on June 12th at 11:50 a.m.
6. New Executive Director for the Japantown Task Force, Linda Jofuku – Reception on June 25th from 7:00 to 10:00 p.m.
7. New CEO for Zeum, Adrienne Pon
8. Status of the recovery of Agency funds from Community Bank of the Bay – Staff was looking forward to a quick and amicable resolution to the dispute and recovery of Agency funds so that the loan program for Fillmore district could be reinstated.
9. Next PIDC meeting scheduled for June 24th at 6:00 p.m. at the Agency offices.

9. **COMMISSIONERS QUESTIONS AND MATTERS**

- Commissioner Yee referred to a letter from Bob Isaacson requesting that the Commission consider a request from retired Agency employees to receive group dental insurance coverage and suggested putting the item on a future Commission meeting agenda for the Commission's consideration.
- Commissioner Singh agreed with Commissioner Yee's request and inquired about Helen Sause's health status.

Executive Director Rosen happily informed the Commission that Deputy Executive Director Helen Sause had returned to work on a part-time basis and would convey the Commissioners well wishes to Ms. Sause.

- Commissioner King inquired about Bob Isaacson's letter and asked if staff had made any assessments on his request.

Executive Director Rosen reminded the Commission that the matter had been discussed at Closed Session and staff would report back to the Commission on Mr. Isaacson's letter.

10. **CLOSED SESSION**

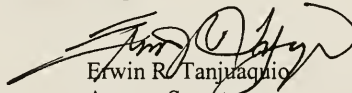
- (a) Pursuant to Government Code § 54956.8 to instruct the Agency's real property negotiators regarding terms of a lease with Carmen's Restaurant regarding the site located at Pier 38/40 in the Rincon Point - South Beach Redevelopment Project Area. Agency negotiators: Marcia Rosen, Amy Neches, Judy Eng, and Barbara Amato.

- (b) Pursuant to Government Code § 54956(a): Conference with Legal Counsel regarding litigation: Armax Yerba Buena, LLC v. SFRA (Superior Court Case No. CGC-01-402761)
- (c) Pursuant to Government Code §54956.8, to instruct the Agency's real property negotiators with respect to terms and conditions regarding the proposed lease of the Agency owned site known as Jessie Square, located on the north side of Mission Street between Third and Fourth Streets; Yerba Buena Center Redevelopment Project Area. Potential lessee's negotiators: Mark Farrar and Philip E Aarons. Agency negotiators: Marcia Rosen, Helen Sause, William Carney and Judy Eng.
- (d) Pursuant to Government Code § 54956.9(a): Conference with Legal Counsel regarding litigation: Jauernick, et al. v. the Redevelopment Agency of the City and County of San Francisco, et al, San Francisco County Superior Court Action No. 407109.

11. ADJOURNMENT

It was moved by Mr. Dunlop, seconded by Mr. King, and unanimously carried that the meeting be adjourned. The meeting adjourned at 8:35 p.m.

Respectfully submitted,



Erwin R. Tanjuaquio
Agency Secretary

APPROVED:

June 25, 2002

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
18TH DAY OF JUNE 2002

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at City Hall, 1 Dr. Carlton B. Goodlett Place, Room 416, in the City of San Francisco, California, at 4:00p.m. on the 18th day of June 2002, at the place and date duly established for holding of such a meeting.

President Chantel L. Walker called the meeting to order at 4:00 p.m. President Walker welcomed members of the public and asked that cell phones and pagers be turned off during the meeting.

1. **RECOGNITION OF A QUORUM**

The Commission Secretary announced the presence of a quorum with the following Commissioners present.

Chantel L. Walker, President
Kathryn C. Palamountain, Vice President
Mark Dunlop
Leroy King
Ramon E. Romero
Darshan Singh
Benny Y. Yee

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Ayisha Benham, Acting Executive Director and staff members were also present.

2. **REPORT ON ACTIONS TAKEN AT PREVIOUS CLOSED SESSION MEETING, IF ANY.** None.

3. **MATTERS OF UNFINISHED BUSINESS:** None.

4. **MATTERS OF NEW BUSINESS:**

CONSENT AGENDA

- 4 (a) Resolution No. 98-2002, Authorizing Don Capobres, Senior Project Manager, Program and Project Management, to participate in the 2002-2003 Leadership San Francisco Program, expenses not to exceed \$2,200.00 for tuition and travel expenses

- 4 (b) Resolution No. 99-2002, Authorizing Enrollment in an Enterprise Agreement between the City and County of San Francisco and ASAP Software, for Microsoft Software Licensing Services in an amount not to exceed \$70,500 over a thirty-six month period
- 4 (c) Resolution No. 100-2002, Authorizing a 2002-2003 Fiscal Agent Agreement with the County of Marin in an amount not to exceed \$564,840 from July 1, 2002 to June 30, 2003 as part of the Housing Opportunities for Persons With AIDS Program
- 4 (d) Resolution No. 101-2002, Authorizing a 2002-2003 Fiscal Agent Agreement with the County of San Mateo in an amount not to exceed \$755,000, from July 1, 2002 to June 30, 2003, as part of the Housing Opportunities for Persons With AIDS Program

Speakers: Doris M. Vincent

Commissioner Dunlop requested that items 4 (c) and 4 (d) be withdrawn from the consent agenda.

Commissioner King requested that item 4 (a) be withdrawn from the consent agenda.

The Commission voted on the remaining consent agenda item 4 (b)

ADOPTION: IT WAS MOVED BY MR. DUNLOP, SECONDED BY MR. ROMERO, AND UNANIMOUSLY CARRIED THAT CONSENT AGENDA ITEM 4 (b) RESOLUTION NO. 99-2002, AUTHORIZING ENROLLMENT IN AN ENTERPRISE AGREEMENT BETWEEN THE CITY AND COUNTY OF SAN FRANCISCO AND ASAP SOFTWARE, FOR MICROSOFT SOFTWARE LICENSING SERVICES IN AN AMOUNT NOT TO EXCEED \$70,500 OVER A THIRTY-SIX MONTH PERIOD, BE ADOPTED.

The Commission resumed discussion of the consent agenda items 4(a), 4(c) and 4(d)

Commissioner King observed that there seemed to be a frequency of staff travel authorization requests for conferences and seminars and asked about the availability of funds for such matters.

Acting Executive Director Ayisha Benham informed the Commission that the funds for item 4(a) were available in the Agency's current budget.

Commissioner King affirmed and stated his support for item 4(a).

ADOPTION: IT WAS MOVED BY MR. DUNLOP, SECONDED BY MR. SINGH, AND UNANIMOUSLY CARRIED THAT CONSENT ITEM 4(a) RESOLUTION NO. 98-2002, AUTHORIZING DON CAPOBRES, SENIOR PROJECT MANAGER, PROGRAM AND PROJECT MANAGEMENT, TO PARTICIPATE IN THE 2002-2003 LEADERSHIP SAN FRANCISCO PROGRAM, EXPENSES NOT TO EXCEED \$2,200.00 FOR TUITION AND TRAVEL EXPENSES, BE ADOPTED.

Commissioner Dunlop asked staff for a presentation on items 4 (c) and 4 (d). Chris Harris of the Agency's Housing Division presented.

Commissioner Dunlop stated that it did not seem appropriate to place the HOPWA Fiscal Agent Agreements that totaled over \$1.2 million on the consent agenda. Mr. Dunlop stated that the Commission should not consider such large amounts of money routine and there should be a written policy regarding the threshold for consent agenda items. Mr. Dunlop suggested that the Commission rethink its policy for consent agenda items.

Commissioner Yee echoed Commissioner Dunlop's comments and recalled that he had also raised the same issue about significant dollar amounts and major policy modifications being on the consent agenda. Mr. Yee stated that such important matters should not be on the consent agenda and must have separate discussion so that the public could provide testimony.

Commissioner Singh asked how many people in San Quentin were afflicted with HIV/AIDS and if money from San Francisco could be used to fund services for the prison population in Marin.

Ms. Chris Harris responded that there were about 300 reported HIV/AIDS cases in San Quentin and that Marin chose not to use HOPWA dollars for the prison because the prison administration was responsible for the treatment of the inmates.

ADOPTION: IT WAS MOVED BY MR. SINGH, SECONDED BY MR. DUNLOP, AND UNANIMOUSLY CARRIED THAT ITEM 4(c) RESOLUTION NO. 100-2002, AUTHORIZING A 2002-2003 FISCAL AGENT AGREEMENT WITH THE COUNTY OF MARIN IN AN AMOUNT NOT TO EXCEED \$564,840 FROM JULY 1, 2002 TO JUNE 30, 2003 AS PART OF THE HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS PROGRAM, BE ADOPTED.

ADOPTION: IT WAS MOVED BY MS. PALAMOUNTAIN, SECONDED BY MR. DUNLOP, AND UNANIMOUSLY CARRIED THAT ITEM 4(d) RESOLUTION NO. 101-2002, AUTHORIZING A 2002-2003 FISCAL AGENT AGREEMENT WITH THE COUNTY OF SAN MATEO IN AN AMOUNT NOT TO EXCEED \$755,000, FROM JULY 1, 2002 TO JUNE 30, 2003, AS PART OF THE HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS PROGRAM, BE ADOPTED.

REGULAR AGENDA

Items 4 (e), (f) and (g) were presented together and acted upon separately.

- 4 (e) Resolution No. 102-2002, Authorizing an Assignment and Assumption Agreement with Bridge Housing Corporation, a California nonprofit public benefit corporation, to Purchase real property located at 5600 Third Street for \$9,750,000 and related costs, with the total amount not to exceed \$9,800,000, for the Development of very low and low income rental housing and low and moderate income for-sale housing; Bayview Hunters Point Redevelopment Survey Area; Citywide Tax Increment Housing Program
- 4 (f) Resolution No. 103-2002, Authorizing an Exclusive Negotiations Agreement with Bridge Housing Corporation, a California nonprofit public benefit corporation, leading to the long term lease of real property at 5600 Third Street for the Development of very low and low income rental housing with ground floor commercial space and low and moderate income for-sale housing; Bayview Hunters Point Redevelopment Survey Area; Citywide Tax Increment Housing Program
- 4 (g) Resolution No. 104-2002, Authorizing a Tax Increment Predevelopment Loan Agreement in an amount not to exceed \$200,000 with Bridge Housing Corporation, a California nonprofit public benefit corporation, for the Development of very low and low income rental housing and low and moderate income for-sale housing at 5600 Third Street; Bayview Hunters Point Redevelopment Survey Area; Citywide Tax Increment Housing Program

Presenters: Pam Sims (Agency staff), Carol Galante (Bridge)

Speakers: Doris M. Vincent, Mary Helen Rogers

Commissioner Singh asked how Bridge secured the property and how much Bridge had spent on the purchase. Mr. Singh asked if the funds for the project were a loan or a grant. Mr. Singh commended Bridge for doing a wonderful job on the project.

Ms. Carole Galante responded that Bridge had spent about \$150,000 in securing an option on the property and conducting environmental studies for the project, which paved the way for the Agency to assist in purchasing the property. Ms. Pam Sims informed the Commission that the predevelopment funds were a loan and as the project progressed, the funds are rolled into the permanent financing and converted in a grant for the project.

Commissioner Palamountain thanked Bridge for working with the Agency to bring much needed affordable housing in San Francisco. Ms. Palamountain also thanked Ms. Doris Vincent for her support of the senior housing component. Ms. Palamountain referred to Ms. Helen Rogers' comments about the long-term lease structure of the development as well as the affordability of the units to low-income people. Ms. Palamountain asked staff to explain the seemingly conflicting concept of leasing the land and the proposed homeownership of the units.

Mr. Olson Lee responded that the Commission was being asked to authorize the purchase of the land and as in the Agency's preservation and affordable housing programs, the air rights would be leased to the developer to allow for other funding sources including tax credits to complete the project. The land lease structure did not conflict with either the rental or sales of the units.

Commissioner Palamountain expressed that she had significant concerns with the Agency's Homeownership Program and considered the PAC's recommendations on the program as a direct representation of the affected communities and would balance that with Mrs. Rogers' concerns about the true affordability of the units for persons who participate in the program. Ms. Palamountain also shared her concerns about disclosure to property owners that persons participating in the program would not get the full bundle of rights traditionally associated with homeownership in the private market.

President Walker asked for an overview of the project's affordability in comparison to the broader neighborhood. Ms. Walker requested a specific report on training for persons participating in the homeownership program to serve as background information as the Commission evaluates the program policies.

Ms. Pam Sims responded that the homeownership units were at 80% of the median income, which was \$68,000 annual income for a family of four and the rental/senior housing units were up to 50% of the median income, at \$35,000 annual income for a single household. Ms. Sims stated that she would provide the Commission with a comparison of the project's affordability with other Agency housing projects in the Bayview.

ADOPTION: IT WAS MOVED BY MR. SINGH, SECONDED BY MR. ROMERO, AND UNANIMOUSLY CARRIED THAT ITEM 4 (e) RESOLUTION NO. 102-2002, AUTHORIZING AN ASSIGNMENT AND ASSUMPTION AGREEMENT WITH BRIDGE HOUSING CORPORATION, A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION, TO PURCHASE REAL PROPERTY LOCATED AT 5600 THIRD STREET FOR \$9,750,000 AND RELATED COSTS, WITH THE TOTAL AMOUNT NOT TO EXCEED \$9,800,000, FOR THE DEVELOPMENT OF VERY LOW AND LOW INCOME RENTAL HOUSING AND LOW AND MODERATE INCOME FOR-SALE HOUSING; BAYVIEW HUNTERS POINT REDEVELOPMENT SURVEY AREA; CITYWIDE TAX INCREMENT HOUSING PROGRAM, BE ADOPTED.

ADOPTION: IT WAS MOVED BY MS. PALAMOUNTAIN, SECONDED BY MR. DUNLOP, AND UNANIMOUSLY CARRIED THAT ITEM 4 (f) RESOLUTION NO. 103-2002, AUTHORIZING AN EXCLUSIVE NEGOTIATIONS AGREEMENT WITH BRIDGE HOUSING CORPORATION, A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION, LEADING TO THE LONG TERM LEASE OF REAL PROPERTY AT 5600 THIRD STREET FOR THE DEVELOPMENT OF VERY LOW AND LOW INCOME RENTAL HOUSING WITH GROUND FLOOR COMMERCIAL SPACE AND LOW AND MODERATE INCOME FOR-SALE HOUSING; BAYVIEW HUNTERS POINT REDEVELOPMENT SURVEY AREA; CITYWIDE TAX INCREMENT HOUSING PROGRAM, BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. DUNLOP, SECONDED BY MR. SINGH, AND UNANIMOUSLY CARRIED THAT ITEM 4 (g) RESOLUTION NO. 104-2002, AUTHORIZING A TAX INCREMENT PREDEVELOPMENT LOAN AGREEMENT IN AN AMOUNT NOT TO EXCEED \$200,000 WITH BRIDGE HOUSING CORPORATION, A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION, FOR THE DEVELOPMENT OF VERY LOW AND LOW INCOME RENTAL HOUSING AND LOW AND MODERATE INCOME FOR-SALE HOUSING AT 5600 THIRD STREET; BAYVIEW HUNTERS POINT REDEVELOPMENT SURVEY AREA; CITYWIDE TAX INCREMENT HOUSING PROGRAM, BE ADOPTED.

Items 4 (h) and (i) were presented together and acted upon separately.

- 4 (h) Resolution No. 105-2002, Authorizing an Owner Participation Agreement with Good Fortune and Wisdom, LLC for the Rehabilitation and Development of 1818-1822 Eddy Street, between Divisadero and Scott Streets; Western Addition Redevelopment Project Area A-2

- 4 (i) Resolution No. 106-2002, Conditionally Approving the three-phase Master Plan and the Schematic Design of the Phase 1 and Phase 2 Improvements for the Development of 1818-1822 Eddy Street, located on the north side of Eddy Street between Divisadero and Scott Streets; Western Addition Redevelopment Project Area A-2

Presenters: Al Luis, Elena Branick (Agency staff)

Speakers: Robert Speer, Margaret Verges, Mary Helen Rogers

Commissioner Yee asked for the lot size and why the project was not being built to the allowable maximum height of 65 feet. Mr. Yee inquired about the phase 3 housing component and asked if the housing would be market rate and if one-to-one parking would be provided for the proposed 20 units.

Mr. Al Luis responded that the lot was 25,300 square feet and the proposed 50-foot building height was dictated by the building's massing. Mark Topetcher the project architect explained that the building was designed to blend in with the neighboring buildings and to provide consistency with the area's building character. Mr. Luis affirmed that the proposed housing would have one-to-one parking.

Commissioner King expressed concerns that Agape Outreach Center was not involved with the project and asked why staff was not working with Agape to train them on the project. Mr. King stated that the project sponsor should be informed of Agape's services in the community.

Mr. Olson Lee responded that the proposed project was under an Owner Participation Agreement and the Agency had no involvement in the project.

President Walker thanked staff and the developer for coming up with a good project and suggested that property owners and/or developers work with community groups to ensure a good working relationship.

ADOPTION: IT WAS MOVED BY MR. SINGH, SECONDED BY MR. YEE, AND UNANIMOUSLY CARRIED THAT ITEM 4 (h) RESOLUTION NO. 105-2002, AUTHORIZING AN OWNER PARTICIPATION AGREEMENT WITH GOOD FORTUNE AND WISDOM, LLC FOR THE REHABILITATION AND DEVELOPMENT OF 1818-1822 EDDY STREET, BETWEEN DIVISADERO AND SCOTT STREETS; WESTERN ADDITION REDEVELOPMENT PROJECT AREA A-2, BE ADOPTED.

ADOPTION: IT WAS MOVED BY MS. PALAMOUNTAIN, SECONDED BY MR. DUNLOP, AND UNANIMOUSLY CARRIED THAT ITEM 4 (i) RESOLUTION NO. 106-2002, CONDITIONALLY APPROVING THE THREE-PHASE MASTER PLAN AND THE SCHEMATIC DESIGN OF THE PHASE 1 AND PHASE 2 IMPROVEMENTS FOR THE DEVELOPMENT OF 1818-1822 EDDY STREET, LOCATED ON THE NORTH SIDE OF EDDY STREET BETWEEN DIVISADERO AND SCOTT STREETS; WESTERN ADDITION REDEVELOPMENT PROJECT AREA A-2, BE ADOPTED.

- 4 (j) Resolution No. 107-2002, Authorizing a First Amendment to the Rental Subsidy Agreement with the Housing Authority of the City and County of San Francisco, in an amount not to exceed \$500,000 for a total aggregate amount not to exceed \$3,505,449, and Extending the term of the contract through June 30, 2002, for the Housing Opportunities for Persons With AIDS Rental Assistance Program

Presenters: Pam Sims (Agency staff)

Commissioner Palamountain lent her support for the item and was glad to see that the program was serving the maximum number of clients. Ms. Palamountain put forth a motion to adopt the item.

Commissioner Dunlop seconded the motion and asked where the \$500,000 came from.

Ms. Pam Sims responded that the funds came from previously unexpended funds that were re-allocated from the Marin County contract.

ADOPTION: IT WAS MOVED BY MS. PALAMOUNTAIN, SECONDED BY MR. DUNLOP, THAT ITEM 4 (j) RESOLUTION NO. 107-2002, AUTHORIZING A FIRST AMENDMENT TO THE RENTAL SUBSIDY AGREEMENT WITH THE HOUSING AUTHORITY OF THE CITY AND COUNTY OF SAN FRANCISCO, IN AN AMOUNT NOT TO EXCEED \$500,000 FOR A TOTAL AGGREGATE AMOUNT NOT TO EXCEED \$3,505,449, AND EXTENDING THE TERM OF THE CONTRACT THROUGH JUNE 30, 2002, FOR THE HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS RENTAL ASSISTANCE PROGRAM, BE ADOPTED.

5. MATTERS NOT APPEARING ON AGENDA - None.

6. **PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA BUT AGENCY RELATED MATTERS**

- Margaret Verges, Robert Speer, Mary Helen Rogers, James Martin

7. **REPORT OF THE PRESIDENT**

- President Walker informed the Commission that the June 25th Agenda was lengthy and had 20 items but most of the items were related and grouped together in four staff presentations.
- Ms. Walker acknowledged Helen Sause's presence and that the Commission was glad to see her back and wished her well.
- Ms. Walker suggested that staff continue to look into first source or local hiring to ensure participation from the local labor force on Agency projects.
- Ms. Walker advised the Commission that the Acting Executive Director would recommend that the Commission continue the scheduled housing participation policy discussion to allow for staff to conduct community meetings on the issue.

8. **REPORT OF THE EXECUTIVE DIRECTOR**

- Acting Executive Director Ayisha Benham recommended that the Commission continue the housing participation policy matter from July 9th to the meeting of July 23rd to allow for community meetings to be held.

Commissioner Dunlop made a motion to place on the June 25th Agenda the consideration to further continue the housing participation policy matter from July 9th to the meeting of July 23rd to allow staff to conduct community meetings on the proposed housing participation policy amendment.

Commissioner King expressed concerns with the large number of agenda items for the June 25th meeting. Mr. King advised that he would not be attending the June 25th meeting. Commissioner Singh agreed with Commissioner King's comments about the lengthy agenda for June 25th.

Commissioner Palamounain seconded Commissioner Dunlop's motion on the housing participation policy matter.

MOTION: IT WAS MOVED BY MR. DUNLOP, SECONDED BY MS. PALAMOUNTAIN, AND UNANIMOUSLY CARRIED, TO PLACE ON THE JUNE 25TH AGENDA, A CONSIDERATION TO FURTHER CONTINUE THE HOUSING PARTICIPATION POLICY MATTER FROM JULY 9TH TO THE MEETING OF JULY 23RD TO ALLOW STAFF TO CONDUCT COMMUNITY MEETINGS ON THE PROPOSED HOUSING PARTICIPATION POLICY AMENDMENT.

Ms. Benham continued with the Report of the Executive Director

- Informational memoranda regarding a RFQ for Survey and Mapping services and RFQ for Parcel 729-A,B and C in Western Addition.
- The 34th annual Juneteenth Parade Celebration and Festival held on June 16th.
- The regularly scheduled meeting of the PIDC for June 24th had been cancelled and a special meeting had been scheduled for Monday, July 8th at 6:00 p.m. in the Agency's boardroom.
- Board of Supervisors Budget Committee meeting on the Agency's proposed fiscal year 2002-2003 budget – Agency's budget likely to be heard around 3:00 p.m.

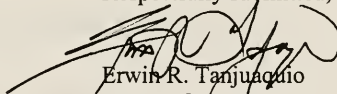
9. **COMMISSIONERS QUESTIONS AND MATTERS** None.

10. **CLOSED SESSION** None.

11. **ADJOURNMENT**

It was moved by Mr. Dunlop, seconded by Ms. Palamountain, and unanimously carried that the meeting be adjourned. The meeting adjourned at 5:31 p.m.

Respectfully submitted,



Erwin R. Tanjunadio
Agency Secretary

APPROVED:

July 9, 2002

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
25TH DAY OF JUNE 2002

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at City Hall, 1 Dr. Carlton B. Goodlett Place, Room 416, in the City of San Francisco, California, at 4:00p.m. on the 25th day of June 2002, at the place and date duly established for holding of such a meeting.

President Chantel L. Walker called the meeting to order at 4:05 p.m. President Walker welcomed members of the public and asked that cell phones and pagers be turned off during the meeting.

1. RECOGNITION OF A QUORUM

The Commission Secretary announced the presence of a quorum with the following Commissioners present.

Chantel L. Walker, President
Kathryn C. Palamountain, Vice President
Mark Dunlop
Ramon E. Romero
Darshan Singh (arrived at 4:15 p.m.)

And the following were absent:

Leroy King
Benny Y. Yee

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Ayisha Benham, Acting Executive Director and staff members were also present.

2. REPORT ON ACTIONS TAKEN AT PREVIOUS CLOSED SESSION MEETING, IF ANY. None.

3. MATTERS OF UNFINISHED BUSINESS: None.

4. MATTERS OF NEW BUSINESS:

CONSENT AGENDA

4 (a) Approval of Minutes: Meeting of June 11, 2002

- 4 (b) Resolution No. 108-2002, Continuing the Authorization of an Amendment to the Agency's Housing Participation Policy to Amend the Housing Participation Requirements for all residential developments from the Commission meeting of July 9, 2002 to the Commission meeting of July 23, 2002
- 4 (c) Resolution No. 109-2002, Approving a Fiscal Year 2002-2003 Budget for the South of Market Project Area Committee in an amount not to exceed \$181,920 and authorizing a Fourth Amendment to the Personal Services Contract with the San Francisco Community Clinic Consortium, a California non-profit public benefit corporation, to extend the contract by three months and to increase the maximum amount payable by \$27,480 for an aggregate amount not to exceed \$531,663; South of Market Earthquake Recovery Redevelopment Project Area
- 4 (d) Resolution No. 110-2002, Authorizing the Executive Director to Execute a Fourth Amendment to the Personal Services Contract with Emily Rogers to Extend the Time of Completion from June 30, 2002 to September 30, 2002 and Increase the Amount of Compensation by \$13,650 for an Aggregate Amount Not to Exceed \$172,250, for Secretarial/Coordinating Services for the Bayview Hunters Point Project Area Committee; Bayview Hunters Point Redevelopment Survey Area

Speakers: Dorothy Peterson – Item 4 (d)

Commissioner Romero put forth a motion to adopt the consent agenda with a typographical correction on page 7 of the June 11th minutes.

Commissioner Dunlop requested that item 4 (c) be withdrawn from the consent agenda. Mr. Dunlop seconded Commissioner Romero's motion to adopt the consent agenda except for item 4 (c).

ADOPTION: IT WAS MOVED BY MR. ROMERO, SECONDED BY MR. DUNLOP, AND UNANIMOUSLY CARRIED (MR. KING, SINGH AND YEE ABSENT) THAT CONSENT AGENDA ITEMS 4 (a) APPROVAL OF MINUTES: MEETING OF JUNE 11, 2002 AS AMENDED, 4 (b) RESOLUTION NO. 108-2002, CONTINUING THE AUTHORIZATION OF AN AMENDMENT TO THE AGENCY'S HOUSING PARTICIPATION POLICY TO AMEND THE HOUSING PARTICIPATION REQUIREMENTS FOR ALL RESIDENTIAL DEVELOPMENTS FROM THE COMMISSION MEETING OF JULY 9, 2002 TO THE COMMISSION MEETING OF JULY 23, 2002, AND 4 (d) RESOLUTION NO. 110-2002, AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE A FOURTH AMENDMENT TO THE PERSONAL SERVICES CONTRACT WITH EMILY ROGERS TO EXTEND THE TIME OF COMPLETION FROM JUNE 30, 2002 TO

SEPTEMBER 30, 2002 AND INCREASE THE AMOUNT OF COMPENSATION BY \$13,650 FOR AN AGGREGATE AMOUNT NOT TO EXCEED \$172,250, FOR SECRETARIAL/COORDINATING SERVICES FOR THE BAYVIEW HUNTERS POINT PROJECT AREA COMMITTEE; BAYVIEW HUNTERS POINT REDEVELOPMENT SURVEY AREA, BE ADOPTED.

The Commission resumed discussion of consent agenda item 4(c)

Commissioner Dunlop shared a concern he heard from the public that the South of Market PAC was not representative of the community and inquired about the PAC's composition. Mr. Dunlop also asked about the demographics of the project area and when there would be another election of the PAC.

Mr. William Carney, Senior Project Manager for South of Market described the PAC election process promulgated by the Board of Supervisors when the PAC was first constituted in 1997. Mr. Carney explained that the Board of Supervisors established the composition of the PAC into several categories including SRO residents, residential property owners and business owners and included sub-categories within the main categories. When vacancies occurred, they were noticed and applications from the whole Project Area to fill the vacancies were considered by the full PAC.

General Counsel Bertha A. Ontiveros added that the Board of Supervisors adopted Articles of Formation for the PAC that established the PAC's composition. The PAC adopted bylaws that specified filling of vacated memberships. There would be a PAC election when the Plan Amendment was adopted, pursuant to the State Community Redevelopment Law.

Commissioner Dunlop affirmed that the community's concerns with the PAC composition lay with the Board of Supervisors Articles of Formation. Mr. Dunlop put forth a motion to adopt item 4 (c). Commissioner Palamountain seconded the motion.

Speakers: Joe O'Donoghue, Richard Marquez, Wilma Parker, Henry Kamilowicz

Commissioner Singh shared his concerns about Joe O'Donoghue and Richard Marquez's comments about the PAC composition and the election of members. Mr. Singh asked if staff had considered additional memberships to the PAC, what the criteria was for electing members and the requirements for membership in the PAC. Mr. Singh asked staff to provide a response to the comments about the lack of communication from staff and specifically communicating the community's concerns with the Commission.

Mr. William Carney reiterated that the Board of Supervisors established the PAC's composition and that the current PAC membership did represent the South of Market Project Area. There was a balance of community representation among the current 21 members, but that it would be more difficult to achieve consensus from a larger number of members. Mr. Carney informed the Commission that the PAC election was conducted under the supervision of the Department of Elections and was a fair and open process. Community members that sought election to the PAC had to belong in the appropriate category established by the Board of Supervisors. Mr. Carney explained that community concerns or issues are generally communicated to the Commission when relevant approval or authority was asked of the Commission and the relevant Plan Amendment discussion was not before the Commission at that time.

Commissioner Dunlop asked what the specific Plan Amendment date was and that it would be helpful to the Commission to hear about Mr. O'Donoghue's comments about communicating community concerns with the Commission. Mr. Dunlop advised that he would be attending the next PAC meeting on July 15th and would continue to look at the issue of community representation in the PAC.

ADOPTION: IT WAS MOVED BY MR. DUNLOP, SECONDED BY MS. PALAMOUNTAIN, AND UNANIMOUSLY CARRIED (MR. KING AND YEE ABSENT) THAT ITEM 4(c) RESOLUTION NO. 109-2002, APPROVING A FISCAL YEAR 2002-2003 BUDGET FOR THE SOUTH OF MARKET PROJECT AREA COMMITTEE IN AN AMOUNT NOT TO EXCEED \$181,920 AND AUTHORIZING A FOURTH AMENDMENT TO THE PERSONAL SERVICES CONTRACT WITH THE SAN FRANCISCO COMMUNITY CLINIC CONSORTIUM, A CALIFORNIA NON-PROFIT PUBLIC BENEFIT CORPORATION, TO EXTEND THE CONTRACT BY THREE MONTHS AND TO INCREASE THE MAXIMUM AMOUNT PAYABLE BY \$27,480 FOR AN AGGREGATE AMOUNT NOT TO EXCEED \$531,663; SOUTH OF MARKET EARTHQUAKE RECOVERY REDEVELOPMENT PROJECT AREA, BE ADOPTED.

REGULAR AGENDA

Commission Secretary Erwin R. Tanjuaquio informed the public that he would condense the reading of related items in the interest of time.

Items 4 (e) through (j) were presented together and acted upon separately.

- 4 (e) Resolution No. 111-2002, Authorizing a Fourth Amendment to the Housing Opportunities for Persons With AIDS Loan Agreement with Mercy Housing California, a California nonprofit public benefit corporation, increasing the contract by \$20,908, for an aggregate amount not to exceed \$3,629,622, in connection with the Acquisition and Rehabilitation of a 45 very low income bed facility located at 141 Leland Avenue
- 4 (f) Resolution No. 112-2002, Authorizing a Housing Opportunities for Persons With AIDS Supportive Services Agreement with Catholic Charities of the Archdiocese of San Francisco, a California nonprofit corporation, in an amount not to exceed \$1,450,020 for the Leland House at 141 Leland Avenue to provide housing and 24-hour care and supervision to people living with HIV/AIDS
- 4 (g) Resolution No. 113-2002, Authorizing a Housing Opportunities for Persons With AIDS Supportive Services Agreement with Dolores Street Community Services, a California nonprofit public benefit corporation, in an amount not to exceed \$479,350 for the Richard M. Cohen Residence, a residential care facility located at 220 Dolores Street, to provide housing and 24-hour care and supervision to people living with HIV/AIDS
- 4 (h) Resolution No. 114-2002, Authorizing a Housing Opportunities for Persons With AIDS Supportive Services Agreement with Dolores Street Community Services, a California nonprofit public benefit corporation, in an amount not to exceed \$479,350 for the Richard M. Cohen Residence, a residential care facility located at 220 Dolores Street, to provide housing and 24-hour care and supervision to people living with HIV/AIDS
- 4 (i) Resolution No. 115-2002, Authorizing a Housing Opportunities for Persons With AIDS Supportive Services Agreement with Maitri, a California nonprofit corporation, in an amount not to exceed \$492,167 for its residential care facility located at 401 Duboce Street to provide housing and 24-hour care and supervision to people living with HIV/AIDS
- 4 (j) Resolution No. 116-2002, Authorizing a Housing Opportunities for Persons With AIDS Supportive Services Agreement with Catholic Charities of the Archdiocese of San Francisco, a California nonprofit corporation, in an amount not to exceed \$710,252 for the Peter Claver Community Facility located at 1340 Golden Gate Avenue to provide housing and 24-hour care and supervision to people living with HIV/AIDS

Presenters: Elizabeth Colomello (Agency staff)

Speakers: Mary Helen Rogers – item 4 (j)

Commissioner Singh asked if there was anyone in attendance from Catholic Charities and what the Director's salary was. Mr. Singh commented that he would like to see the clientele of the residential care facilities attend the meetings. Mr. Singh asked about Larkin Youth Center's age group clientele of 18 to 23 years old and where they went when they exceeded the 23-year old age limit.

Ms. Elizabeth Colomello responded that Merrill Kenna from Catholic Charities was in attendance and the Director was paid \$150,000 a year. Ms. Colomello informed the Commission that an exit plan for persons approaching the age limit at the Larkin Youth Center was being prepared to help them transition into other housing.

Commissioner Dunlop thanked Ms. Colomello for a great presentation and was personally aware and amazed at the hard work on the residential care facilities. Mr. Dunlop commented that difficult economic times lay ahead with the Federal budget deficit and the expected decline in HOPWA funding. Mr. Dunlop requested to schedule a workshop in the near future to address the AIDS crisis because there was no other source of funding the residential care facilities given that HOPWA funds were dedicated for capital costs and to look at possible replacement of HOPWA funding with other funding sources. The housing shortage in San Francisco left no transition plan from the residential care facilities into regular housing. Mr. Dunlop appreciated staff's hard work on the HOPWA program, but that staff should not wait until the last minute to bring the items before the Commission because there was only a five-day time period before the contracts were to expire.

Commissioner Palamountain echoed Commissioner Dunlop's comments about planning ahead with bringing the HOPWA items before the Commission and suggested that staff work with the providers in preparing for the workshop. Ms. Palamountain asked if the vacancies at the Larkin Youth Center were filled by the Department of Public Health and if there was coordination with the foster care system that would provide an opportunity to transition into the youth center. Ms. Palamountain thanked staff and the providers for their tremendous work.

Ms. Colomello informed the Commission that staff and the providers maintained a waiting list as well as referrals, working with the Department of Public Health.

President Walker appreciated staff's hard work on the HOPWA program and commended the service providers for their diligence and commitment.

ADOPTION: IT WAS MOVED BY MS. PALAMOUNTAIN, SECONDED BY MR. DUNLOP, AND UNANIMOUSLY CARRIED (MR. KING AND YEE ABSENT) THAT ITEM 4 (e) RESOLUTION NO. 111-2002, AUTHORIZING A FOURTH AMENDMENT TO THE HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS LOAN AGREEMENT WITH MERCY HOUSING CALIFORNIA, A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION, INCREASING THE CONTRACT BY \$20,908, FOR AN AGGREGATE AMOUNT NOT TO EXCEED \$3,629,622, IN CONNECTION WITH THE ACQUISITION AND REHABILITATION OF A 45 VERY LOW INCOME BED FACILITY LOCATED AT 141 LELAND AVENUE, BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. DUNLOP, SECONDED BY MS. PALAMOUNTAIN, AND UNANIMOUSLY CARRIED (MR. KING AND YEE ABSENT) THAT ITEM 4 (f) RESOLUTION NO. 112-2002, AUTHORIZING A HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS SUPPORTIVE SERVICES AGREEMENT WITH CATHOLIC CHARITIES OF THE ARCHDIOCESE OF SAN FRANCISCO, A CALIFORNIA NONPROFIT CORPORATION, IN AN AMOUNT NOT TO EXCEED \$1,450,020 FOR THE LELAND HOUSE AT 141 LELAND AVENUE TO PROVIDE HOUSING AND 24-HOUR CARE AND SUPERVISION TO PEOPLE LIVING WITH HIV/AIDS, BE ADOPTED.

ADOPTION: : IT WAS MOVED BY MR. DUNLOP, SECONDED BY MS. PALAMOUNTAIN, AND UNANIMOUSLY CARRIED (MR. KING AND YEE ABSENT) THAT ITEM 4 (g) RESOLUTION NO. 113-2002, AUTHORIZING A HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS SUPPORTIVE SERVICES AGREEMENT WITH DOLORES STREET COMMUNITY SERVICES, A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION, IN AN AMOUNT NOT TO EXCEED \$479,350 FOR THE RICHARD M. COHEN RESIDENCE, A RESIDENTIAL CARE FACILITY LOCATED AT 220 DOLORES STREET, TO PROVIDE HOUSING AND 24-HOUR CARE AND SUPERVISION TO PEOPLE LIVING WITH HIV/AIDS, BE ADOPTED.

ADOPTION: : IT WAS MOVED BY MR. DUNLOP, SECONDED BY MS. PALAMOUNTAIN, AND UNANIMOUSLY CARRIED (MR. KING AND YEE ABSENT) THAT ITEM 4 (h) RESOLUTION NO. 114-2002, AUTHORIZING A HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS SUPPORTIVE SERVICES AGREEMENT WITH DOLORES STREET COMMUNITY SERVICES, A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION, IN AN AMOUNT NOT TO EXCEED \$479,350 FOR THE RICHARD M. COHEN RESIDENCE, A RESIDENTIAL CARE FACILITY LOCATED AT 220 DOLORES STREET, TO PROVIDE HOUSING AND 24-HOUR CARE AND SUPERVISION TO PEOPLE LIVING WITH HIV/AIDS, BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. SINGH, SECONDED BY MR. ROMERO, AND UNANIMOUSLY CARRIED (MR. KING AND YEE ABSENT) THAT ITEM 4 (i) RESOLUTION NO. 115-2002, AUTHORIZING A HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS SUPPORTIVE SERVICES AGREEMENT WITH MAITRI, A CALIFORNIA NONPROFIT CORPORATION, IN AN AMOUNT NOT TO EXCEED \$492,167 FOR ITS RESIDENTIAL CARE FACILITY LOCATED AT 401 DUBOCE STREET TO PROVIDE HOUSING AND 24-HOUR CARE AND SUPERVISION TO PEOPLE LIVING WITH HIV/AIDS, BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. SINGH, SECONDED BY MR. ROMERO, AND UNANIMOUSLY CARRIED (MR. KING AND YEE ABSENT) THAT ITEM 4 (j) RESOLUTION NO. 116-2002, AUTHORIZING A HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS SUPPORTIVE SERVICES AGREEMENT WITH CATHOLIC CHARITIES OF THE ARCHDIOCESE OF SAN FRANCISCO, A CALIFORNIA NONPROFIT CORPORATION, IN AN AMOUNT NOT TO EXCEED \$710,252 FOR THE PETER CLAVER COMMUNITY FACILITY LOCATED AT 1340 GOLDEN GATE AVENUE TO PROVIDE HOUSING AND 24-HOUR CARE AND SUPERVISION TO PEOPLE LIVING WITH HIV/AIDS, BE ADOPTED.

- 4 (k) Resolution No. 117-2002, Authorizing a Second Amendment to a Housing Opportunities for Persons with AIDS Technical Assistance Agreement with the Corporation for Supportive Housing, a Delaware nonprofit corporation, to Extend the Agreement term

Presenters: Chris Harris (Agency staff)

ADOPTION: IT WAS MOVED BY MR. DUNLOP, SECONDED BY MR. ROMERO, AND UNANIMOUSLY CARRIED (MR. KING AND YEE ABSENT) THAT ITEM 4 (k) RESOLUTION NO. 117-2002, AUTHORIZING A SECOND AMENDMENT TO A HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS TECHNICAL ASSISTANCE AGREEMENT WITH THE CORPORATION FOR SUPPORTIVE HOUSING, A DELAWARE NONPROFIT CORPORATION, TO EXTEND THE AGREEMENT TERM, BE ADOPTED.

Items 4 (l) and (m) were presented together and acted upon separately.

- 4 (l) Resolution No. 118-2002, Authorizing a First Amendment to a Housing Opportunities for Persons with AIDS Supportive Services Agreement with Catholic Charities of the Archdiocese of San Francisco, a California nonprofit corporation, in an amount not to exceed \$150,000 for the supportive services related to the HOPWA Rental Subsidy Program

- 4 (m) Resolution No. 119-2002, Authorizing a three-year Housing Opportunities for Persons with AIDS Rental Subsidy Agreement with the San Francisco Housing Authority for the HOPWA Rental Assistance Program in an annual Amount Not to Exceed \$3,250,000

Presenters: Pam Sims (Agency staff)

Speakers: Mary Helen Rogers

Commissioner Singh asked why there was only one proposal for the HOPWA Supportive Services Agreement and if there were any restrictions on the RFQ and if anyone could apply or respond to the RFQ.

Ms. Pam Sims responded that despite the outreach, only one proposal was submitted and there were no restrictions on the RFQ and anyone could have applied.

Commissioner Dunlop shared a concern he heard that potential residents had difficulty dealing with the Housing Authority and asked if Catholic Charities was assisting in finding available housing units. Mr. Dunlop asked staff to address the complaints he heard from potential residents. Mr. Dunlop asked if Housing Authority staff had sensitivity training working with people afflicted with AIDS.

Mr. Tony Usiferro from the Housing Authority responded that he also had heard about the complaints and stated that the Housing Authority was working with Catholic Charities to address the difficulty of finding available housing. They have conducted successful outreach to landlords in identifying available units for persons living with AIDS, but that additional staff was needed for the housing search. A survey had been completed on the special housing needs and Housing Authority staff had undergone sensitivity training in working with people with AIDS.

ADOPTION: IT WAS MOVED BY MR. SINGH, SECONDED BY MR. DUNLOP, AND UNANIMOUSLY CARRIED (MR. KING AND YEE ABSENT) THAT ITEM 4 (I) RESOLUTION NO. 118-2002, AUTHORIZING A FIRST AMENDMENT TO A HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS SUPPORTIVE SERVICES AGREEMENT WITH CATHOLIC CHARITIES OF THE ARCHDIOCESE OF SAN FRANCISCO, A CALIFORNIA NONPROFIT CORPORATION, IN AN AMOUNT NOT TO EXCEED \$150,000 FOR THE SUPPORTIVE SERVICES RELATED TO THE HOPWA RENTAL SUBSIDY PROGRAM, BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. DUNLOP, SECONDED BY MS. PALAMOUNTAIN, AND UNANIMOUSLY CARRIED (MR. KING AND YEE ABSENT) THAT ITEM 4 (m) RESOLUTION NO. 119-2002, AUTHORIZING A THREE-YEAR HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS RENTAL SUBSIDY AGREEMENT WITH THE SAN FRANCISCO HOUSING AUTHORITY FOR THE HOPWA RENTAL ASSISTANCE PROGRAM IN AN ANNUAL AMOUNT NOT TO EXCEED \$3,250,000, BE ADOPTED.

- 4 (n) Resolution No. 120-2002, Authorizing a Purchase and Sale Agreement with Mary J. Buffington and payment of related closing costs for a total amount not to exceed \$560,000 for the Agency's repurchase of a single family residence at 1992 Ellis Street pursuant to the Agency's Affordable Homeownership Program; Western Addition Redevelopment Project Area A-2

Presenters: Olson Lee (Agency staff)

Speakers: Mary Helen Rogers, Barbara Meskunas, M. J. Buffington, Margaret Verges, Robert Speer, Essie Collins

Commissioner Romero asked staff to provide an overview of the sale and repurchase process for the single residence unit and address the concerns raised by the public about the shared appreciation in the proposed repurchase.

Mr. Olson Lee described the process and explained that the unit was originally purchased at \$325,000 and had been appraised at \$540,000 presently. The Agency provided a second mortgage of \$133,000 to subsidize the market purchase price. The Agency would have a share in the appreciation of its second mortgage that would amount to \$240,000, and Ms. Buffington's share in the appreciation of the home would be restricted to the initial amount of the first mortgage, approximately \$190,000. Mr. Lee added that the \$240,000 that would go to the Agency if the home were purchased would be used to subsidize the next affordable income homebuyer. Mr. Lee explained that if the Agency did not repurchase the home, it would not be sold to a low-income homebuyer because they could not afford the current market purchase price of \$540,000. The decision for the Commission was either to repurchase the home or keep it in the affordable housing stock or not.

Commissioner Romero clarified that Ms. Buffington would not get the full appreciation of the home because of the limitations in the Agency's homeownership program and the Agency's subsidy.

Commissioner Dunlop stated that Ms. Buffington participated in a program that was open to everyone who was qualified and because she was an Agency employee, it might necessitate looking at the Agency's policies regarding employees participating in such programs. Mr. Dunlop verified that Ms. Buffington was indeed qualified for the program and that she would get around 50% of the home's equity, if repurchased by the Agency. Mr. Dunlop felt that the purchase price was too high and opined that maybe the Agency should not have such an expensive program to administer, and that the Agency's goal ought to be housing the most needy at the most efficient cost to the Agency. Mr. Dunlop was not in support of the proposed repurchase of the home.

Commissioner Singh verified that the unit was a three-bedroom home and thought that the purchase price was too expensive. Mr. Singh asked what kind of improvements had been done to the house, specifically the replacement of two windows that cost \$8,000.00, according to Ms. Buffington (who contacted Mr. Singh about the matter).

Mr. Lee responded that staff was only aware of minor improvements to the home including repainting of the kitchen cabinets, but was not aware of the window replacements.

Commissioner Palamountain shared that the Commission had been grappling with the Agency's Affordable Homeownership Program and how best to implement it given the issues that have arisen since last year. Ms. Palamountain believed that there was no impropriety with the lottery system but that there was an appearance of impropriety with the participation of an Agency employee and would support a policy change that would prohibit Agency employees from participating in the Agency's homeownership program and that the Commission was held to the same standard. Ms. Palamountain believed that such policy change would remove the appearance of any impropriety and would speak further with staff to determine if a formal motion would be necessary to effectuate such a policy change. Ms. Palamountain stated that as Mr. Lee indicated, the matter before the Commission was to decide if it wanted to retain the unit as part of the affordable housing stock and bear the extraordinarily high cost of maintaining the home affordable, and asked what the Agency's investment was to date for the home in question. Ms. Palamountain also asked if the Agency owned the underlying property and what the land value was and how many units there were in the development.

Mr. Olson Lee did not have the total Agency investment on the home but there were probably construction subsidies as part of the overall development in addition to the second mortgage. Mr. Lee verified that the

land was owned by the Agency but he did not have figure for the value of the land, and there were a total of ten units in the development.

Commissioner Palamountain stated that it was difficult for her to decide on the question of purchasing the home and keep it in the affordable housing stock without knowing the amount of the Agency's investment in the property. Ms. Palamountain asked what the impact would be if the matter was delayed for a couple of weeks until the information about the Agency's investment was provided to the Commission.

Mr. Lee responded that there was a time constraint with the purchase and sale agreement that would necessitate further negotiations for an extension of time and to ascertain if there was a clearance or release from the bankruptcy court.

Commissioner Palamountain asked how much the Agency would be entitled to from the bankruptcy court should the purchase proceed. Ms. Palamountain asked if the Agency could rent the home, assuming the Agency was to purchase the home.

General Counsel Ontiveros responded that whatever the bankruptcy court decided, the Agency would receive the appreciated value of \$240,000 from the second mortgage it provided. Mr. Lee responded that he would have to research the homeowners association's rules on the matter of renting the home because the property was originally sold as an owner-occupied unit and the homeowners association controlled the easement for the common areas.

Commissioner Palamountain stated that she would need to have answers to her questions before she could vote on the matter and put forth a motion to continue the item for two weeks.

Commissioner Romero recalled a similar debate when the homeownership program in the Bayview was discussed at a previous Commission meeting and stated that the matter before the Commission would adversely affect a property owner that is having significant financial difficulties and continuing or delaying action on the item would make matters worse for Ms. Buffington. Mr. Romero stated that as far as he could determine, the staff's recommendation was consistent with the Commission's existing policies. Mr. Romero stated that if the Commission wanted to terminate or significantly change the homeownership policy it should calendar the matter for consideration by the Commission and not hold up the item before the Commission. Mr. Romero agreed with the issue of the appearance of impropriety involving an Agency employee that participated in the program, but pointed out that there was an abundance of case laws that have discussed those kinds of conflicts and the question was where does one draw the line.

Ms. Buffington was just an employee of a public agency and because she had a job, did that mean that she had to be deprived of the same benefits available to the citizens of San Francisco. Mr. Romero stated that he would not jump to the conclusion that no employee of the Agency should benefit from any Agency program as long as it is fairly administered. Mr. Romero wanted a broader discussion of any policy changes and not take the matter in isolation of a significantly broader policy discussion. Mr. Romero stated that he would not support the continuance of the matter.

Commissioner Dunlop stated that as far as employees availing themselves of Agency programs, he recalled that the previous Executive Director had a standard of not being in a position of having the appearance of any impropriety on any matter that the Agency was involved in and Ms. Buffington should not be penalized for participating in the Agency's program. Mr. Dunlop asked if there would be a negative impact if the matter was delayed for two weeks.

General Counsel Ontiveros responded that there was a very short time period, a matter of days for the Agency to exercise its ability to purchase the property and an extension would have to be granted by the bankruptcy court. Ms. Ontiveros pointed out that in any event, the Agency would receive what it was entitled to and so would Ms. Buffington and what was at stake was the Agency's ability to purchase the home and retain it in the affordable housing stock.

Commissioner Dunlop stated that the Agency could lose the right to repurchase the home and thought that it was not good policy for the Agency to be involved in the matter. Mr. Dunlop stated that he would like to have answers to Commissioner Palamountain's questions and that he could not support the item as proposed.

Commissioner Palamountain pointed out that no matter what the Agency or the bankruptcy court did, the Agency would still receive the second loan it provided plus appreciation (\$240,000) and that was why she wanted to know what the Agency's investment was in the property to see if it made sense to repurchase the property. Ms. Palamountain expressed her exasperation on the concerns that Commissioners have raised regarding the homeownership program and despite the issues raised, the program was still being implemented and problems continue to compound.

Commissioner Dunlop seconded Commissioner Palamountain's motion to continue the matter for two weeks.

Commissioner Romero pointed out that the Commission should not change policy with a vote on a matter that was consistent with existing Agency policy and recalled that the Commission did the same thing with the Plaza Hotel issue and effectively delayed its development for over a year, but the Commission did change its policies regarding the direct development of the Plaza Hotel and established as a matter of policy, a mechanism for the Agency to do direct development. Mr. Romero stated that any of the Commissioners could propose a policy discussion to be placed on the Agenda and have a debate on the matter. Mr. Romero intended to support the staff's recommendation on the item.

President Walker expressed concerns with items continually brought before the Commission with very tight deadlines that leave the Commission with no ability to rethink the matter if questions or significant concerns were raised, and asked staff to not bring any matters before the Commission at the eleventh hour. With respect to the homeownership program, Ms. Walker personally felt that she did not want to have another conversation until such time as a policy discussion had taken place. Ms. Walker stated that she continued to have questions and concerns about item 4 (n) and would support the continuance of the item for two weeks.

Mr. Lee advised the Commission that for better or worse, the Agency had a homeownership program that was in existence and that loan documents, sales and re-sales did occur because often times, the Agency did not have control of what property owners wanted to do with their properties. Agency staff had been trying to develop the policy changes suggested by the Commission and that staff was in sync with the Commission's concerns and had begun to suggest modifications to loan documents and how the program was administered.

MOTION: IT WAS MOVED BY MS. PALAMOUNTAIN, SECONDED BY MR. DUNLOP, THAT ITEM 4 (n) RESOLUTION NO. 120-2002, AUTHORIZING A PURCHASE AND SALE AGREEMENT WITH MARY J. BUFFINGTON AND PAYMENT OF RELATED CLOSING COSTS FOR A TOTAL AMOUNT NOT TO EXCEED \$560,000 FOR THE AGENCY'S REPURCHASE OF A SINGLE FAMILY RESIDENCE AT 1992 ELLIS STREET PURSUANT TO THE AGENCY'S AFFORDABLE HOMEOWNERSHIP PROGRAM; WESTERN ADDITION REDEVELOPMENT PROJECT AREA, BE CONTINUED FOR TWO WEEKS, TO THE COMMISSION MEETING OF JULY 9, 2002, AND ON ROLL CALL, THE FOLLOWING VOTED "AYE":

Mr. Dunlop
Ms. Palamountain
Mr. Singh
Ms. Walker

AND THE FOLLOWING VOTED “NAY”:

Mr. Romero

AND THE FOLLOWING WERE ABSENT:

Mr. King
Mr. Yee

THE SECRETARY DECLARED THE RESULTS OF THE ROLL CALL VOTE, FOUR (4) AYES AND ONE (1) NAY, AND TWO (2) ABSENTS.

THE PRESIDENT THEREUPON DECLARED THAT THE MOTION TO CONTINUE THE MATTER CARRIED.

Items 4 (o) through (r) were presented together and acted upon separately.

- 4 (o) Resolution No. 121-2002, Public Hearing and Authorizing a Ground Lease Agreement with Mercy Housing California XXII, a California limited partnership, for the Acquisition and Rehabilitation of 75 units of very low and low-income rental housing at the Dudley Apartments, 172 Sixth Street, South of Market Earthquake Recovery Redevelopment Project Area
- 4 (p) Resolution No. 122-2002, Authorizing a First Amendment to a Tax Increment Loan Agreement with Mercy Housing California XXII, a California limited partnership, in an amount not to exceed \$5,302,754 plus any accrued interest, Modifying the terms of repayment, for the Acquisition and Rehabilitation of 75 very low and low-income rental units at the Dudley Apartments, 172 Sixth Street; South of Market Earthquake Recovery Redevelopment Project Area
- 4 (q) Resolution No. 123-2002, Authorizing a Housing Opportunities for Persons with AIDS Capital Loan Agreement with Mercy Housing California, a California nonprofit public benefit corporation, in an amount not to exceed \$700,000 for the acquisition and rehabilitation of 8 units of very low and low-income rental housing for persons living with HIV/AIDS at the Dudley Apartments located at 172 Sixth Street, South of Market Earthquake Recovery Redevelopment Project Area

- 4 (r) Resolution No. 124-2002, Authorizing a Standby Payment Agreement with Mercy Housing California XXII, a California limited partnership, and with the permanent lender, in an amount not to exceed \$800,000, plus applicable interest and other associated costs, to guarantee the payment of a certain mortgage in conjunction with the Acquisition and Rehabilitation of 75 units of very low and low-income housing at the Dudley Apartments, 172 Sixth Street, South of Market Earthquake Recovery Redevelopment Project Area

Presenters: Jeff White (Agency staff)

Commissioner Singh inquired about the permanent loan of \$800,000 and if the funding was a loan or a grant, and what the interest rate was.

Mr. Jeff White responded that the \$800,000 was a loan for the permanent mortgage financing as opposed to the construction loan and had to be repaid in 15 years. Mr. White stated that the interest rate was not yet known because a lender had not yet been identified.

ADOPTION: IT WAS MOVED BY MS. PALAMOUNTAIN, SECONDED BY MR. DUNLOP, AND UNANIMOUSLY CARRIED (MR. KING AND YEE ABSENT) THAT ITEM 4 (o) RESOLUTION NO. 121-2002, PUBLIC HEARING AND AUTHORIZING A GROUND LEASE AGREEMENT WITH MERCY HOUSING CALIFORNIA XXII, A CALIFORNIA LIMITED PARTNERSHIP, FOR THE ACQUISITION AND REHABILITATION OF 75 UNITS OF VERY LOW AND LOW-INCOME RENTAL HOUSING AT THE DUDLEY APARTMENTS, 172 SIXTH STREET, SOUTH OF MARKET EARTHQUAKE RECOVERY REDEVELOPMENT PROJECT AREA, BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. DUNLOP, SECONDED BY MR. ROMERO, AND UNANIMOUSLY CARRIED (MR. KING AND YEE ABSENT) THAT ITEM 4 (p) RESOLUTION NO. 122-2002, AUTHORIZING A FIRST AMENDMENT TO A TAX INCREMENT LOAN AGREEMENT WITH MERCY HOUSING CALIFORNIA XXII, A CALIFORNIA LIMITED PARTNERSHIP, IN AN AMOUNT NOT TO EXCEED \$5,302,754 PLUS ANY ACCRUED INTEREST, MODIFYING THE TERMS OF REPAYMENT, FOR THE ACQUISITION AND REHABILITATION OF 75 VERY LOW AND LOW-INCOME RENTAL UNITS AT THE DUDLEY APARTMENTS, 172 SIXTH STREET; SOUTH OF MARKET EARTHQUAKE RECOVERY REDEVELOPMENT PROJECT AREA, BE ADOPTED.

ADOPTION: IT WAS MOVED BY MS. PALAMOUNTAIN, SECONDED BY MR. ROMERO, AND UNANIMOUSLY CARRIED (MR. KING AND YEE ABSENT) THAT ITEM 4 (q) RESOLUTION NO. 123-2002, AUTHORIZING A HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS CAPITAL LOAN AGREEMENT WITH MERCY HOUSING CALIFORNIA, A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION, IN AN AMOUNT NOT TO EXCEED \$700,000 FOR THE ACQUISITION AND REHABILITATION OF 8 UNITS OF VERY LOW AND LOW-INCOME RENTAL HOUSING FOR PERSONS LIVING WITH HIV/AIDS AT THE DUDLEY APARTMENTS LOCATED AT 172 SIXTH STREET, SOUTH OF MARKET EARTHQUAKE RECOVERY REDEVELOPMENT PROJECT AREA, BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. DUNLOP, SECONDED BY MR. ROMERO, AND UNANIMOUSLY CARRIED (MR. KING AND YEE ABSENT) THAT ITEM 4 (r) RESOLUTION NO. 124-2002, AUTHORIZING A STANDBY PAYMENT AGREEMENT WITH MERCY HOUSING CALIFORNIA XXII, A CALIFORNIA LIMITED PARTNERSHIP, AND WITH THE PERMANENT LENDER, IN AN AMOUNT NOT TO EXCEED \$800,000, PLUS APPLICABLE INTEREST AND OTHER ASSOCIATED COSTS, TO GUARANTEE THE PAYMENT OF A CERTAIN MORTGAGE IN CONJUNCTION WITH THE ACQUISITION AND REHABILITATION OF 75 UNITS OF VERY LOW AND LOW-INCOME HOUSING AT THE DUDLEY APARTMENTS, 172 SIXTH STREET, SOUTH OF MARKET EARTHQUAKE RECOVERY REDEVELOPMENT PROJECT AREA, BE ADOPTED.

- 4 (s) Resolution No. 125-2002, Authorizing a Personal Services Contract with the San Francisco Housing Development Corporation, a California nonprofit public benefit corporation, in an amount not to exceed \$300,000 for homeowner assistance, as part of the Agency's Affordable Homeownership Program and other housing development services; Western Addition Redevelopment Project A-2, Hunters Point Redevelopment Project Area and other redevelopment project areas and survey areas

Presenters: Chris Harris (Agency staff), Regina Davis (SFHDC)

Speakers: Mary Helen Rogers, Orin Wilder, Chris Rodgers, Ching Tso, Marlene Harris, Pauline Peele, Joe O'Donoghue, Michael Harris, Carmen Johnson, Dan Dodt, Michael Pinkston

Commissioner Romero thanked everyone who came and addressed the Commission and recalled that the Commission provided the seed money for SFHDC and was glad to see the great success. Mr. Romero commended Michael Harris for his leadership and Regina Davis for her hard work. Mr. Romero put forth a motion to adopt item 4 (s).

Commissioner Palamountain enthusiastically seconded the motion and expressed her gratitude to Michael Pinkston and Michael Harris's testimony about SFHDC's wonderful program and also thanked Marlene Harris, Orin Wilder and Chris Rodgers for their testimonies about their success stories. Ms. Palamountain remarked that there was a good partnership between the Agency, SFHDC and the community at large and was very pleased with everyone's efforts.

Commissioner Singh commented SFHDC for doing a great job and verified that SFHDC conducted over 200 sessions with individuals seeking to obtain housing development and financing services. Mr. Singh asked what SFHDC's budget was and where it's income and funding came from. Mr. Singh requested quarterly progress reports on SFHDC's work and to be added to their mailing list.

Ms. Regina Davis informed the Commission that SFHDC had secured new offices right on Third Street and 10 or more sessions were held on a daily basis and there were a lot of walk-in clients. Ms. Davis stated that their current year budget was \$1.028 million and the source of the funding came from earned income from various development projects and from various grants and loans.

Commissioner Dunlop was glad to see that SFHDC worked on foreclosure cases to prevent people from losing their homes and asked if they received funding from the Mayor's Office and if they did not, that could be an additional potential source of funding.

Ms. Regina Davis responded that the Mayor's Office provided funds on some of their development projects, but did not receive operating funds from the Mayor's Office.

President Walker commended staff and SFHDC for working collaboratively to provide valuable services to the community. Ms. Walker asked if the proposed personal services contract was for a set of new work and not a re-authorization of an existing contract.

Mr. Olson Lee affirmed that the proposed contract was for a new set of scope of work specifically related to providing housing development services for the various redevelopment project/survey areas.

ADOPTION: IT WAS MOVED BY MR. ROMERO, SECONDED BY MS. PALAMOUNTAIN, AND UNANIMOUSLY CARRIED (MR. KING AND YEE ABSENT) THAT ITEM 4 (s) RESOLUTION NO. 125-2002, AUTHORIZING A PERSONAL SERVICES CONTRACT WITH THE SAN FRANCISCO HOUSING DEVELOPMENT CORPORATION, A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION, IN AN AMOUNT NOT TO EXCEED \$300,000 FOR HOMEOWNER ASSISTANCE, AS PART OF THE AGENCY'S AFFORDABLE HOMEOWNERSHIP PROGRAM AND OTHER HOUSING DEVELOPMENT SERVICES; WESTERN ADDITION REDEVELOPMENT PROJECT A-2, HUNTERS POINT REDEVELOPMENT PROJECT AREA AND OTHER REDEVELOPMENT PROJECT AREAS AND SURVEY AREAS, BE ADOPTED.

- 4 (t) Resolution No. 126-2002, Authorizing a Lease Agreement with the City and County of San Francisco Municipal Railway for Agency-owned property located at 4800 Third Street for its Third Street Light Rail Project Public Information Office; Bayview Hunters Point Redevelopment Survey Area

Presenters: June Bartholomew (Agency staff)

Speakers: Regina Davis

Commissioner Palamountain asked what the term of the lease was.

Ms. June Bartholomew responded that the initial lease would commence on July 1, 2002 and would expire in December 2003 or January 2004, which was within the timeline for the proposed redevelopment of the property, and if the development was ready and the property was needed, the lease with MUNI would not be extended.

President Walker stated that this was a good solution to help recover the cost of holding the land prior to its redevelopment and would support the item.

ADOPTION: IT WAS MOVED BY MS. PALAMOUNTAIN, SECONDED BY MR. SINGH, AND UNANIMOUSLY CARRIED (MR. KING AND YEE ABSENT) THAT ITEM 4 (t) RESOLUTION NO. 126-2002, AUTHORIZING A LEASE AGREEMENT WITH THE CITY AND COUNTY OF SAN FRANCISCO MUNICIPAL RAILWAY FOR AGENCY-OWNED PROPERTY LOCATED AT 4800 THIRD STREET FOR ITS THIRD STREET LIGHT RAIL PROJECT PUBLIC INFORMATION OFFICE; BAYVIEW HUNTERS POINT REDEVELOPMENT SURVEY AREA, BE ADOPTED.

5. **MATTERS NOT APPEARING ON AGENDA** - None.

6. **PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA BUT AGENCY RELATED MATTERS**

- Mary Helen Rogers, Christopher Hirano, Barbara Meskunas, Margaret Verges, Robert Speer, Essie Collins, Carmen Johnson

7. **REPORT OF THE PRESIDENT**

- President Walker expressed appreciation to her fellow Commissioners on the very substantive and deliberative discussion on many important issues that were before the Commission and commended staff's hard work, in particular on item 4(n), which was continued, not as a reflection of staff not doing their due diligence, but due to serious questions raised by the Commission. Ms. Walker looked forward to moving on with the homeownership program and having the policy discussion with staff and the public. Ms. Walker suggested that as the Commission received public comments on significant issues, responses should be provided not only to the Commission but to the interested public as well.
- Ms. Walker shared personal good news and announced that she was going to have a baby, and would obviously affect her tenure at the Commission, but was under medical advice for specific medical reasons to cut back on her work schedule and would eventually transition off the Commission. Ms. Walker did not specify a date certain for when she would depart the Commission.
- Ms. Walker encouraged Commissioners to provide their concerns and questions to staff in advance on upcoming agenda items so that staff could adequately prepare responses before the meeting.

8. **REPORT OF THE EXECUTIVE DIRECTOR**

- Acting Executive Director Ayisha Benham congratulated President Walker and reported on the following:
 - Board of Permit Appeals meeting on June 26th at 4:00 p.m. to consider the appeal on the demolition permit for the former site of the Japantown Bowl -- Ms. Benham advised the Commission that General Counsel Ontiveros would provide additional information following Director's report.

- Community meeting on Parcel 732-A – Responses to the RFP would be discussed – June 26th from 6:00 to 8:00 p.m. at the Westbay Conference Center.
- One Church Street grand opening celebration, June 28th from 11:00 a.m. to 1:00 p.m.
- James Martin had resigned as Chairperson of the Bayview PAC and had taken a community consultant position with PG&E – Reverend Cordell Hawkins would be the interim PAC Chairperson until the election of a replacement takes place.
- Joe LaTorre had been promoted to be the Deputy Director for the Mayor's Office of Housing
- Bessie Carmichael School groundbreaking , June 26th at noon.
- PIDC Board meeting scheduled for Monday, July 8th at the Agency offices, 6:00 p.m.
- Community meetings have been scheduled to present the proposed inclusionary housing at all of the PAC and CAC meetings scheduled for the next three weeks prior to the Commission's consideration on July 23rd. A schedule of the meetings have been provided to the Commission and notices of the meetings would be sent to the various communities and the general public.

General Counsel Ontiveros referred to the earlier comments of Christopher Hirano regarding Agency jurisdiction on the demolition of the former site of the Japantown Bowl and informed the Commission that staff had sent a letter to the property owner stating that pursuant to Redevelopment Law and Government Code provisions, all redevelopment projects were subject to the building codes and regulations of the local jurisdiction and as a matter of law, the demolition permits were issued and would be appealed through the normal City processes, and the Agency did not have jurisdiction. Agency staff had conveyed this information to the property owner's attorney and provided a copy of the Agency's letter to interested parties.

President Walker asked if Agency staff had taken a position on the issue of the demolition.

General Counsel Ontiveros responded that Agency staff had not taken a position on the demolition, only on the issue of jurisdiction.

9. COMMISSIONERS QUESTIONS AND MATTERS

- Commissioner Romero congratulated President Walker on her impending motherhood and expressed that during her tenure as Commission President, she brought a very positive impact on the Commissioners and the meetings. Mr. Romero remarked that he was glad to see that Ms. Walker had her priorities straight and hoped that she would stay in the Commission as long as she could.

Mr. Romero was glad to hear that the Acting Executive Director and General Counsel have addressed the Japantown Bowl issue and were safeguarding the best interest of the Agency.

Mr. Romero thanked the public for coming to the meeting and making their views known to the Commission, but as he listened to for example, the Scott Street RFQ issue, the substance of the concerns raised by the public speakers tend to get lost when there were personal attacks against staff or the Commission or anyone in the public. Mr. Romero advised that the personal attacks or character assassinations really detracted from the speaker's advocacy.

- Commissioner Dunlop congratulated President Walker on her good news and was sorry to see her leave the Commission but asked her to stay as long as she could.

Mr. Dunlop agreed with the public's comments that it did not seem proper to demolish the former Japantown Bowl site without plans for developing the site. Mr. Dunlop asked if the Agency had any control over the demolition of the building, and if staff had any concerns regarding the demolition.

General Counsel Ontiveros stated that all permitting came under the City's purview and processes. The Agency did not have authority over the demolition of buildings, only in so far as compliance with the Redevelopment Agency's plans.

Ms. Shirley Wysinger shared that she had spoken with Mr. Hirano and advised him that the appropriate forum to appeal the demolition of the building would be at the Board of Permit Appeals.

General Counsel Ontiveros informed the Commission that there was no formal staff position regarding the demolition and should there be a formal position that would have to come from the Commission.

Mr. Dunlop echoed Commissioner Romero's comment about the public's personal attacks on staff and that he had the utmost respect for staff and their work. Mr. Dunlop expressed concerns about community notification and stated that if staff promised a community meeting, then staff should conduct a community meeting to discuss the RFQ. Mr. Dunlop asked if certificate holders have been notified of the RFQ and would there be an impact if the RFQ was held back for a month.

General Counsel Ontiveros responded that there was not a formal approval process for the issuance of RFQs and the practice had been to provide information to the Commission for its review and comment and if there were concerns, the RFQ would be held back.

Mr. Olson Lee informed the Commission that staff held three community meetings on the subject matter, with the first meeting regarding the proposed Jewish Community High School, a second meeting where the Scott Street proposal was presented and specifically discussed participation of Section 8 certificate holders on the proposed homeownership program for the proposed development. A third meeting was held at the local Police station where a discussion about giving first priority to certificate holders was discussed. Mr. Lee stated that since the development proposal was in its early stages, it was more appropriate to hold a meeting with certificate holders when there was an actual development proposal before the Agency, and staff did agree to schedule a certificate holders meeting as indicated on the staff memorandum to the Commission. Mr. Lee stated that it was the Commission's prerogative to delay the RFQ if it so chose and staff would await the Commission's direction.

Mr. Dunlop did not see any harm in delaying the issuance of the RFQ for a month and for staff to hold a meeting that would include certificate holders because there can never be too many community meetings about the important work of the Agency. Mr. Dunlop urged the Commission to delay the issuance of the RFQ for a period of one month.

- Commissioner Singh expressed his congratulations to President Walker and stated that Mr. Olson Lee was doing a wonderful job and had the utmost respect for him. Mr. Singh expressed that the Agency should stop the demolition of the former Japantown Bowl site, if it could.

- Commissioner Palamountain supported a full public vetting regarding the Japantown Bowl site and thanked the General Counsel for her advice and agreed that the jurisdictional issue about the demolition would be resolved at the Board of Permit Appeals. Ms. Palamountain stated that when the OPA for the Japantown Bowl site comes before the Commission, she expected the public to get involved at every stage of the proposal and approval process. With respect to the Scott Street project, Ms. Palamountain agreed with Commissioner Dunlop's comments and agreed that there was no rush to issue the RFQ and would prefer delaying the issuance for at least one month.

Ms. Palamountain expressed her appreciation to staff, in particular staff's (Ms. Wysinger) diplomacy and restraint on contentious issues and shared her personal admiration for Olson Lee for his dedication and hard work and hoped that the public understood that the Commission stood 100% behind Agency staff. Ms. Palamountain echoed Commissioner Romero's comments about staff's hard work and respecting staff and to refrain from personal attacks. If the community wanted a community meeting, chances were very good that there would be a community meeting.

Ms. Palamountain shared that she had privately congratulated the esteemed President Walker on her good news, but wanted to publicly thank her for the level of decorum and dignity that she had brought to the Commission, and hoped that the Commission would be able to maintain them after President Walker left the Commission.

- Commissioner Romero agreed with Commissioner Singh and urged staff to do anything it could to stop the demolition of the former Japantown Bowl site.
- President Walker thanked everyone for the well wishes. Ms. Walker requested staff to convey to the Board of Permit Appeals the sentiments of Commissioners regarding the demolition of the former Japantown Bowl site and although there was not an official direction from the Commission, Commissioners have raised great concerns with the proposed demolition.

Ms. Walker acknowledged that staff's plate was full with all of the important work of the Agency and recognized that when multiple requests from the Commission come forward, staff's priorities would shift and that it was important to communicate to the Commission which work tasks have shifted due to more pressing priorities brought about by the public and subsequently, by the Commission.

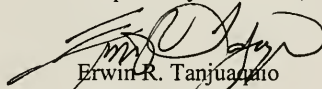
Ms. Walker addressed the issue of communications with the public on wide-ranging issues before the Commission and requested a report from staff about the myriad of issues that staff was working on, and suggested a listing of such varied issues could be placed on a future Agenda so that a progress report could be made to the Commission and the general public. Ms. Walker stressed that the suggestion was in the context of staff doing their very best to work closely and collaboratively with the public and the specific communities affected by the Agency's work.

10. CLOSED SESSION None.

11. ADJOURNMENT

It was moved by Mr. Dunlop, seconded by Mr. Singh, and unanimously carried that the meeting be adjourned. The meeting adjourned at 8:25 p.m.

Respectfully submitted,



Erwin R. Tanjuatiao
Agency Secretary

APPROVED:

July 9, 2002



